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DEPARTMENT OF AGRICULTURE

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ADVISORY COMMITTEE ON MEAT AND
POULTRY INSPECTION

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UNITED STATES DEPARTMENT OF AGRICULTURE

ADVISORY COMMITTEE ON MEAT AND POULTRY INSPECTION

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The Sheraton-Palace Hotel
Comstock Room
639 Market Street
San Francisco, California

Thursday, July 29, 1982

Volume I

The above-entitled matter came on for public hearing at 1:00 p.m.

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THURSDAY, July 29, 1982 (1:00 P.M.)

P R O C E E D I N G S

DR. HOUSTON: Welcome to San Francisco.

My name is Don Houston and I'm the Administrator of the Food Safety and Inspection Service and the Vice-Chairman of the Advisory Committee on Meat and Poultry Inspection.

With me today to my right is Mr. Bob Hibbert, Director of our Standards and Labeling Division. To my left is Dr. Don Breeden, the Regional Director for the Western Region, Food Safety and Inspection Service.

I understand most of you were able to participate this morning in the plant tour. Some of you went to the Gallo operation; others I understand went to the San Francisco Sausage Company. I'm hearing many good reports that you enjoyed the opportunity to see those kinds of operations.

I want to thank the Western States Meat Association for arranging for that tour and for working with our own Regional Office here in setting up the arrangements for transportation. So for those of you from the Western States Meat Association, we are grateful for that.

MS. MUCKLOW: You're most welcome.

DR. HOUSTON: We have several new members with us that were not with us when we had the first meeting of this newly chartered Committee.

With us today is Dr. Roslyn B. Alfin-Slater. Dr.

Alfin-Slater is a Professor of Biochemistry at the School of Public Health, University of California, Los Angeles. She is the author of over 170 publications including many numerous scientific books and journals, is the member of many scientific and educational associations and government committees, and is recognized for her outstanding achievements in scientific research. Dr. Alfin-Slater is to my right.

Dr. Mike Foster, a long time friend, is Director of the Food Research Institute and Chairman of the Department of Food Microbiology and Toxicology at the University of Wisconsin. He has served and continues to serve on numerous task forces and advisory committees concerned with food microbiology and food safety. He is recognized as an expert on food hygiene and has served on several occasions as consultant to the National Academy of Sciences, F.D.A., U.S.D.A., the Atomic Energy Commission, and the World Health Organization.

Also with us today, a new member, is Mr. Robert H. Lounsberry. Bob Lounsberry is the Secretary of Agriculture for the State of Iowa. He was elected to his current position in 1972, reelected in 1974, and again in 1978. Until 1970, Mr. Lounsberry ran a livestock and grain operation in Iowa. He is the former President of the Midwest Association of State Departments of Agriculture, and has been a member of numerous educational and agriculture organizations. He is known as a leader in American agriculture.

Dr. Elizabeth Whelan is the Executive Director of the American Council on Science and Health with offices in New York and New Jersey. She is the author of many books and articles on nutrition and health, is a radio commentator on health issues, and moderator of a nationally syndicated radio program. Dr. Whelan has appeared on the TODAY SHOW, GOOD MORNING, AMERICA, and other national media programs. She is a member of the Nominating Committee of the American Cancer Society, and the Board of Directors of the Food and Drug Law Institute.

We do have a full complement of the Committee here today so perhaps San Francisco does have some drawing power. I welcome all of you and I think you very much for coming. A special welcome to our members who are able to be with us for the first time.

I'm not going to go over the role of the Advisory Committee. We went into that subject in great detail at the first meeting. However, since we do have several new members with us today, I have asked the staff to provide you with documentation on the role of the Committee. You can peruse that at your convenience.

Last time when we were together we covered several subjects and I might be able to give you a quick update on them before we get into today's agenda.

We talked about the interstate shipment of state

inspected product. Since that time there has been a Bill introduced in the House by Congressman Wampler and in the Senate by Senator Inouye.

The Administration position on that Bill was delivered to the Congress last week. We are supporting that Bill, as we indicated we would at the time we met with you last.

There has been no new indication at this point of either the House or the Senate holding hearings on that Bill. Obviously we are in support of it, and we will be working with those groups who are interested in having hearings.

We recently met with the National Assocation of State Departments of Agriculture, who indicated a strong interest in seeing action on the Bill. We'll have to see what develops over the next few months.

We talked about Food Safety Reform. I won't go into that since that's on today's agenda. We'll be talking about that in more detail.

We talked about an exemption study which was underway and I will simply say that the study is continuing along the lines that we discussed at the last meeting, and that it should be ready sometime this fall.

We talked about a fee for service program for meat and poultry inspection. To bring you up-to-date, the 1983 budget for meat and poultry inspection does not

contain any user fees; however, I would say that there was serious consideration given to that prior to the time that the budget was sent to the Congress. The Office of Management and Budget did direct the Department to conduct a very comprehensive study on user fees and their applicability to funding the federal meat and poultry inspection program. That study has been completed and has not yet been made public. I'm sure that it will be sent along to the Office of Management and Budget when the budget proposals for 1984 go forward, which will be sometime in September.

We talked also about modifying the continuous inspection provisions of the Federal Meat Inspection Act and Poultry Products Inspection Act. We will be discussing that further in these meetings, so I will pass over that for the time being.

We also talked about the Administration's initiatives in the area of restricting sodium intake through moderating the dietary intake of sodium. That is also on the agenda and I will wait until we get to that point.

We discussed the standard for braunschweiger. That is still under consideration and no final action has yet taken place.

We talked about a standard for what was then called mechanically processed species product. Since that time the Department has promulgated a final rule renaming that product

mechanically separated meat. It has been called mechanically deboned meat in the industry for many years. That standard will go into effect July 29th, today I think.

However, several days ago, perhaps a week ago, the Community Nutrition Institute in conjunction with the Consumer Federation of America, Americans for Democratic Action, and Virginia Citizens Consumer Council brought suit against the Department to have that standard set aside. They are asking for an expedited review, and arguments to that effect will take place tomorrow in a Washington, D.C., Federal District Court.

The Government will be arguing that an expedited review is not necessary and that time should be taken so that all of the points of the case can be considered on their merit.

So the standard will go into effect today, but I doubt that there'll be much attempt by industry to utilize that product until this litigation is settled.

I would add also that a press release which was issued yesterday in Washington by the Center for Science in the Public Interest has asked for the resignation of Secretary Block for, among other things, revising the standard for mechanically separated meat.

My purpose here is not to necessarily give publicity to the Center for Science in the Public Interest and their request for the resignation of Mr. Block, but I do point

out to you that the subject of mechanically separated meat remains one of controversy.

To those of you who are interested in the press release that was issued on that matter as well as the letter that was delivered to the Secretary on July 28th, I have them and if you'd like to look at them, I'll be glad to share them with you.

Before I move on to today's agenda, are there any questions about any of those areas that some of you would like to raise at this point?

Dr. Alfin-Slater.

DR. ALFIN-SLATER: I would like to know why everything that Michael Jacobsen says gets so much publicity in the press, and why people consider this man seriously when he should not be taken seriously? When he wants something set aside, or the Community Nutrition Institute, what reasons do they give?

Do they give valid reasons? Who is there to rebut?

DR. HOUSTON: Well, as you know there are a number of consumer activist groups in Washington, some of which I mentioned in the lawsuit. For reasons that are probably better explained by them, they have good contacts with the press and are able to get that kind of attention.

I did not read to you all of the points that are raised in the press release. They go beyond just what was

mentioned with regard to mechanically separated meat.

As you know the political climate is starting to heat up for the elections this fall. I think we can expect more and more rhetoric in a number of areas.

Rosemary.

MS. MUCKLOW: This is Rosemary Mucklow. Just for the record, Don, I would like to add that the Western States Meat Association and the American Meat Institute have filed a petition to intervene in the action brought by the Community Nutrition Institute against the United States Department of Agriculture, and our Washington counsel will be present at the status conference tomorrow when some determinations will hopefully come out with respect to the program and the expedited hearing or non-expedited hearing of that action.

DR. HOUSTON: Any other questions on those points?

In addition to those items I mentioned that would be on today's agenda, we will also be talking about the Margarine Standard, the Prior Labeling Approval System, the inspection of imported meat and poultry, and finally some comments on food safety education.

Our operating procedures for the Committee will remain as they have in the past. In order to broaden the understanding of Committee members on the various subjects, those of us here at this table will be making presentations today. Following those presentations we would ask you to limit

your comments to those of questions of clarification. We're hoping that by doing this we can get through the entire agenda and then have tomorrow for some discussion by, among and between the various members of the Advisory Committee.

If any of you cannot make tomorrow's meeting and wish to make some remarks and put them on the record, we'd be glad to have you do that. But if you're going to be here tomorrow, we would request that you hold off any discussions on policy and substance until that time, and to limit comments and questions to those of clarification.

This is a public meeting and it will be covered by the press. Since it is a public meeting, we will offer an opportunity today at the end of the session for anyone in the audience who wishes to raise a question, who wishes to make a statement, to do so. We will offer that same opportunity tomorrow at the end of that session.

Before we go into today's presentations, are there any questions on the agenda?

Let's get into the items to be discussed. The first item is the Margarine Standard, and Mr. Hibbert will be covering that.

I would remind the Committee that one of the reasons that we do discuss standards is that by law we cannot promulgate or revise a food standard unless there does exist consultation with members of this Committee.

THE MARGARINE STANDARD

The Margarine Standard is being revised to bring it up-to-date with modern food processing technology and to be sure it's in line with the standards that have been established by F.D.A. I would not suggest that this is a major issue, certainly not a controversial issue. To a large extent this is a housekeeping exercise so that we can make these changes and meet the legal requirements of consulting with this Committee.

After we get through with two or three of these topics, then we'll take a break about midafternoon.

Bob, do you want to go ahead.

MR. HIBBERT: Thank you. It's nice to be here. Hopefully with that introduction you're all on the edge of your chairs about the Margarine Standard.

It is, as Dr. Houston pointed out, essentially a housekeeping measure for us. It is not an area of great controversy, although it obviously is of some significance if you're in the margarine business, and obviously within that relatively narrow universe there are some strong points of view on a few of these issues.

In addition, this may be of interest to some of you who are interested in food standards generally and how they are made and what some of the kinds of problems are, because some of the problems we encounter here crop up in all of our standards work.

(The first slide was shown to the Committee.)

This first slide provides you with a general kind of definition to get oriented with the product, which is used in our regulations and those of the Food and Drug Administration, that being that margarine is food in plastic form or liquid emulsion containing not less than 80 percent fat and certain required and optional ingredients.

Now in our area the key ingredient that makes a jurisdictional difference is the use of animal fats versus other kinds of oils. If animal fats are used, it is a product under our jurisdiction and is regulated under our system, inspected as such, and we control the standards.

The basis thrust of this proposal is to eliminate unnecessary discrepancies with regulation by the F.D.A. About 97 percent of the margarine marketed is an F.D.A. product. Our products are about 2 or 3 percent.

(The next slide was shown to the Committee.)

Our proposed standard, which was issued on the 20th of July, specifies required ingredients, and this is of general interest again for food standards. Basically, we're talking about what you have to have in something to, in effect, meet the basic eligibility requirements or standard, and then what can you also put in and not get outside the standard again.

In terms of required ingredients you have to have edible fats or oils, in addition to Vitamin A.

The vitamin A requirement is one of long standing, both with us and Food and Drug Administration, and flows from the fact that butter is a major source of Vitamin A in the diet. Vitamin A is a required ingredient, in addition to one or more of the following ingredients: water, milk or milk products, or vegetable proteins.

(The next slide was shown to the Committee.)

The next slide just delineates some of the optional ingredients. When I touch upon the comments briefly you'll see that we get into some area of controversy here.

In our proposal we specified the following as optional ingredients: nutritive carbohydrate sweeteners, emulsifiers, preservatives, antioxidants, color additives, beta-carotene, and potassium chloride.

(The next slide was shown to the Committee.)

Now for comparative purposes I just pulled out the Food and Drug Administration Standard, and essentially it indicates that Standards parallel each other with the following exceptions: under the F.D.A. Standard there's a more general authorization for sweeteners, for emulsifiers, preservatives including antioxidants, color additives, there's some distinctions on special labeling of flavors, and there is a general statement in their Standard to the effect that the product only contain safe and suitable ingredients.

Now, what we get into here is essentially a

mechanical distinction from the way we operate and Food and Drug operates.

We have more of an affirmative listing system for food ingredients, food additives than does F.D.A. They use concepts such as safe and suitable in their Standards; we as a general rule do not, but will specify in our regulations specific substances within a class such as antioxidants, emulsifiers, whatever, whereas F.D.A. is more inclined to use general language.

DR. ALFIN-SLATER: Do they define what they mean by suitable ingredients?

MR. HIBBERT: That's a term which has evolved in their system and I think it's been interpreted in case law and discussed in various regulations. Essentially it works its way back to the F.D.A. categorization scheme in determining whether substance has GRAS status or is GRAS affirmed, so on and so on.

It gets back to their whole additive review system.

DR. ALFIN-SLATER: I understand the safe, but I don't know what is meant by suitable.

MR. HIBBERT: I think suitable gets more into concepts of good manufacturing practice and things of that nature, and having a function, have an actual efficacy kind of function in a product. You have to make some demonstration that you need to emulsify in order to use an emulsifier.

(The next slide was shown to the Committee.)

The comments, as I indicated, were from a relatively narrow audience. We received, I believe, 14 comments. The process was focused upon, if you will, by the National Margarine Association. They supplied the most detailed comment.

A number of the comments simply indicated support for the National Margarine Association's position.

As you can see from what I've delineated out of the comments, this question of our affirmative listing versus the F.D.A.'s concept is really the problem, that came out in the comments. We simply need to analyze and take a position on in the final rule.

They would prefer, since again they are 97 percent of the way into the F.D.A. scheme of things, that we would adopt the concept such as safe and suitable. In addition to that, they addressed some specific substances. The first, Vitamin E, is not allowed under the current F.D.A. Standard or our proposed Standard. That is an item of some controversy in the Margarine rule. The current Codex Standard permits the use of Vitamin E. The United States position which we in Food and Drug have maintained over the years, has been that fortification with Vitamin E is not necessary in this country.

Again they focused on fructose as a sweetener that we did not specify in our proposal which they would want to be

specifically permitted.

They wanted an elimination of the proposed maximum levels for various emulsifiers. That is, we proposed in synch pending with F.D.A. to raise that limit. Obviously, our analysis of the issue would be considered in that context.

Again, back to this umbrella concept issue, they asked for a wider variety of acidulants and alkalizers. They also had problems with a labeling point which I think can be cleared up, but our proposal can be read to require the entire spelling out of the substances BHA and BHT. We do not currently require that, but the proposal could probably fairly be read as if we were intending to impose their requirement. They had some reservations about that. The F.D.A. does not require people to do that, either.

That's essentially it for the Margarine Standard. I'd be happy to answer any clarifying questions.

DR. ALFIN-SLATER: I have another question. When you prepare something from vegetable oil, vegetable oils contain Vitamin E, normally and naturally. Why is there a problem about adding it?

Are the oils stripped of the Vitamin E before they are hydrogenated?

MR. HIBBERT: My understanding is that it's more of a question that it gets into general questions of fortification policy. Obviously the processing may have varying effects on

vitamins, but it is not the position of either us or F.D.A. at this point that there is such a need for Vitamin E in the diet that it should be supplied through an unnatural process such as fortification of this particular product.

DR. ALFIN-SLATER: It's an antioxidant that prevents oxidation of the essential fatty acids which are in the vegetable oil.

DR. BURNETTE: I think when they bleach vegetable oils that there wouldn't be very much Vitamin E left in there, naturally.

DR. ALFIN-SLATER: It would be nice of we had an analysis available because I have a feeling there's a lot more left than you think, unless the oil is stripped for some other purpose and the Vitamin E removed for some other purpose. I don't know.

DR. BURNETTE: It's stripped when it's bleached to be clarified so you get a clear vegetable oil. There's not much left in there; it's a rather vigorous process.

DR. HOUSTON: Are there any other questions?

DR. BURNETTE: Bob, what's the status of the Codex Alimentarius Standard for Margarine? Is it approved, or is it still in the steps?

MR. HIBBERT: It's somewhere in the steps. I have a copy of it with me. Maybe I should check later, but it has not been formally adopted.

DR. BURNETTE: It's up about six or seven?

MR. HIBBERT: I believe that's correct but I can clarify that point for you a little later.

DR. BURNETTE: Your proposal, or at least the half of the proposal that we got, mentions the Codex Alimentary Standard but doesn't make any comparison such as you just did with the F.D.A. Standard. Since by Treaty we're going to have to consider the Codex Standard when it passes in this country, can you give us a comparison of how the F.D.A. or F.D.A./U.S.D.A. Standard compares? Are we going to have to do this all over again in another couple years?

MR. HIBBERT: I think the basic distinction is the question of Vitamin E. That's what the commentors have focused on. There may very well be some other nuances as well.

DR. BURNETTE: Do you think the rest of the Standard as proposed fairly well tracks Codex Alimentary Standard?

MR. HIBBERT: Well, I wouldn't go that far. I think that there may be some additional restrictions in ours as well with regard to certain substances. But I can't answer these questions past a certain point. I don't have that good a feel for the Codex Standard myself.

DR. BURNETTE: Well, it's just that when it comes out, we're required by Treaty to consider it. It seems to me that should be considered at this point. There's no need in

doing it twice, three times actually.

DR. HOUSTON: That's true, but considering the fact that the F.D.A. Standard has been set and they are not in rule-making at this time, I think we would have to consider how much risk we want to take in determining whether or not we are going to come into line with the Codex Standard; and whether we want to go that far with Vitamin E and some of the other changes to permit a broader variety of acidulants, emulsifiers, etc., that I'm sure are under the Codex Standard. Usually they're much broader than ours, as you well know.

MR. HIBBERT: I've got more specificity here.

Basically the Codex Standard parallels what we've proposed but permits Vitamin E fortification, allows additional color additives, allows additional classes of emulsifiers at higher levels, temporarily endorses a variety of antioxidants, and allows the use of natural and synthetic topherol.

Those are the basic distinctions.

DR. BURNETTE: Thank you.

DR. HOUSTON: Are there any other questions of clarification?

PRIOR LABELING APPROVAL SYSTEM

If not, let's move to the next item on the agenda, which is near and dear to the hearts of meat and poultry processors everywhere, the Prior Labeling Approval System,

carried out by the Department of Agriculture.

MR. HIBBERT: This is near and dear to my own heart as well I guess because my office has spent a fair amount of time working on some of these changes and because the current status quo is what we're in charge now of administering.

That status quo, among other things, is a rather substantial volume of paperwork, in the neighborhood of 110,000 or so requests for label approval per year.

I realize I've got an audience here with differing levels of familiarity with this issue so those of you who are real familiar with it, bear with me on a couple of basic notions.

The concept of prior label approval is somewhat unique to the Department because F.D.A. does not do it. One of the requests, suggestions, criticisms we've heard over the years, particularly in the last couple of years, is why not get rid of it? Why look at all these labels?

There are some legal and practical problems with this blanket approach. The statutes we work under do talk in terms of labels being approved by the Secretary. This proposal wrestles with how that can and can't be done, but that is in the statutes.

In addition, there is the practical problem of the fact that if you're a Federally inspected establishment, you do have inspector there. You do have that inspection presence. His job, among other things, is to see that products are

properly labeled.

In some respects that drives the issue into more of a question of how centralized or decentralized we are and how active or passive, if you will, of an approach we take to labeling problems.

What has evolved over the year has been a fairly active, fairly centralized approach where essentially everything comes into Washington.

(The first slide was shown to the Committee.)

As you can see from some of the things that I've highlighted, almost all labeling must be approved by the Washington labeling office prior to the marketing of the product. There are certain limited classes of labels that can be approved locally by the inspector himself. But generally it's over 100,000 applications for label approval per year.

(The next slide was shown to the Committee.)

In addition to the label itself, we must be supplied on the form with full ingredient and processing information. I have a sample of the form later on, but essentially you simply put your ingredients, percentage of use, and your processing procedures on the form.

The label reviewer's job is to look at your label and look at the product that you're describing and see if it is appropriate in every respect to apply that particular label to that particular product.

In addition, part of the label review function gets into questions of making sure that the standards are being followed and also that any restricted ingredients are being used at appropriate levels.

There are mandatory features that must be displayed on all product labels. I believe the next slide fleshes those out a bit.

(The next slide was shown to the Committee.)

On any label that we review that's to be applied to any meat and poultry product, you must have these basic features: the name of the product, the inspection legend, the ingredient statement, quantity of contents or net weight statement, and the name and address of the manufacturer or distributor.

In addition, if it is appropriate to that product, you must have handling instructions.

(The next slide was shown to the Committee.)

This slide just fleshes out that same scheme of things with a mock-up of the label. Again, the product name on the top, it's a frankfurter, the mark of inspection, the keep refrigerated statement, the ingredients, net weight and packed for statement.

This is what we would characterize as a fairly simple label.

(The next slide was shown to the Committee.)

The next slide takes that same product, and this is the form that would come into our office accompanying it.

Again, this is a mock-up; this is no one's trade secret or anything.

You'll see the specifications of the ingredients, their percentages, and a good description of a routine hot-dog processing procedure.

That will come in, be reviewed, presuming there are no problems, be stamped up and sent back. At that point you can use your label.

(The next slide was shown to the Committee.)

Just for comparative purposes, this next slide works off that same skeleton and makes things a bit more complicated. That becomes relevant later on when we're talking about what kinds of changes we feel inspectors can work with and what ones still ought to be centralized, and so on.

Here on this particular label you've got some nutritional claims, negative claims, a nutritional label. Down at the lower right you'll see -- it didn't show up real well but that's an open dating piece of information, freshness beyond a certain date.

Just for comparative purposes, these are some of the ways you can take one of our labels and get them a bit more complicated by doing things like making nutritional claims.

(The next slide was shown to the Committee.)

The proposal itself, which we published on May 21st and the comments are scheduled to end on August 19th, would really make some major changes in this system. These are mechanical changes, I should emphasize. We're really, through this vehicle, not saying anything new or different about what does and doesn't go cn a label or what kinds of claims you can and cannot make. This is essentially an internal mechanics question of who looks at the label, who, if anyone approves it or doesn't approve it.

Under the proposal, the authority of the inspector in charge at a local establishment to approve labels and certain label changes would be greatly expanded within categories that we delineate later on.

In addition some limited categories of what we refer to as generically approved labeling would be established if the proposal's adopted. That is, categories of labels that you wouldn't need to pre-clear with the inspector either, that you would simply get a license through the regulation itself to use that particular label or make that change and simply provide the inspector with a copy, but there would be no need for any kind of a signing off by Departmental representative on the label before it's used.

The third item, and it's an important one, is that participation in the program would be voluntary. Anyone

who would want to stick to the current system and get Washington to look at any or all of his labels, regardless of what category they come in, could do so. But in these categories they would have the option of taking advantage of a generic approval or getting an approval through the inspector.

Fourth is that the denial of an application by the inspector will preclude the use of that particular label unless and until some contrary authorization was to be obtained from the central Washington office.

This gets into an area of concern as to how the inspector is going to function in this environment, and the notion here is that if he feels that the product would be misbranded based on his review of the label, that decision will stick until Washington says differently.

Number five, is a somewhat different notion. Under our current regulations, there's no discussion of nor specific authority to issue what are called temporary approvals. What has evolved within the system and what is still current practice is to give such temporary approvals in situations where there might be some minor deviation from the regulations, some particular unforeseen hardship to a producer, so on and so on, where we will allow the use of a label with some minor deviations for a limited period of time.

That has evolved as a somewhat necessary kind of fairness aspect of the present system, but sometimes it's

questioned as to what parameters we work under in that area. So we have attempted to establish some general guidelines and to put some time limits on the process.

What we would hope to achieve through this effort is delineated in the next slide.

(The next slide was shown to the Committee.)

First of all, we'd like to be able to decrease the turnaround time for approvals. That's somewhat self-evident just in terms of mail time and the like. There are times obviously when something develops in a hurry in a business context and where it's going to be advantageous to people to be able to get a new label put together and used in a couple of hours as opposed to a couple weeks.

Next one, a reduction in paperwork, which again is self-evident. Because it is voluntary as proposed, although we have some experimental data because we did test this notion in a pilot program, we are without hard numbers, but we do feel that this could lead to a reduction of 50 to 75 percent of the applications that come in to Washington by knocking down that 100,000 plus to 50,000 or less.

Number three, a more efficient use of our resources. Hopefully another advantage might very well be having more time with our centralized experts to focus on what might be more complicated or difficult problems. One difficulty we have with the present system is that the

individuals that review the labels are under a fair degree of time pressure to keep the paper moving. A difficult problem can arise in a stack of maybe 15 or 20 not so difficult labels and perhaps not get the attention it deserves. This will, through the sifting out process, help us to do better in that regard.

Finally, a better communication between management and the I.I.C. in this area. Because of the evolution of central approval, in some instances people have suggested that the inspector is inclined to be too passive in his relationship with the plant in labeling questions because "Washington says" and what have you. We are hoping for some improvement in this area in enhancing the ability of the inspector to work these problems with people on the spot.

In terms of categories themselves, again as I indicated earlier, there are three basic categories.

(The next slide was shown to the Committee.)

Those which would continue to require central Washington approval. Number two, those which would be approved by the I.I.C. In those instances copies would be sent to us in Washington and will be subject to audit. And if necessary, some kind of follow-up action would be taken if there's a mistake.

The scheme of the system is that the error rate should not be that high for inspector approved labels because there's been a delibcrate sorting out of label problems that

might not be that complicated and might not require a great deal of special expertise, but nevertheless we are going to audit those decisions.

Number three, generically approved labeling situations will be specified in a moment where even that degree of paperwork is not deemed to be necessary.

As you can see from the asterick in the first two instances, you will still need some form of written authorization from the Department in order to use that label and in the third instance you will not.

I'll just run over this list relatively quickly.

(The next slide was shown to the Committee.)

These are, under this proposal, modifications you will be able to make to your label without any sort of paperwork. You simply have to provide the inspector with the modified label you're going to use.

As you can see from the asterisks, some of these are specified in the current regulations. This is an expansion of a existing category, but the category in the past has been relatively narrow and hasn't been used that much.

The large ones are reductions of labels, substitutions of words for abbreviations or visa versa, spelling out pounds versus "lbs," something like that. Filling in certain blanks on master or stock labels that have already been approved; putting holiday kinds of designs on the labels,

around Christmas time putting a wreath on there, or something; certain changes in direction such as how to open a container or how to store a product; coupon, cents off statements; cooking instructions; Uniform Product Code; those kinds of things; changes in the signature line; the name and address of the packer and distributor; net weight changes; recipe suggestions; punctuation changes; and changes in the establishment number.

In all of those instances the labels would be generically approved, and that is probably a bigger area than you would think of. It's worth keeping in mind when you talk of approving new labels, in most instances what you're really talking about are these kinds of changes. Maybe not these kinds, but relatively minor changes in something you're doing already and simply modifying an ingredient or a promotion thing or what have you.

Mr. McDade.

MR. MCDADE: Could I ask on number three, if that were expanded or not expanded, if that were leaving out blanks in there. Now, is the blank only for the name of the distributor, or would that be a blank that might leave out the class or part?

MR. HIBBERT: I think we covered that in some of the inspector changes, that gets broader. But in this category that is simply having something approved in blank without the distributor's name.

DR. MC DADE: That's just the distributor?

MR. HIBBERT: That's right.

DR. MC DADE: The other's important; you will come to it?

MR. HIBBERT: Yes.

These are types of labels which the inspector could approve. Now again this is a situation where you've got to fill out your form, you've got to hand it to the inspector, he's got to look at it, sign it, and give it back to you, as opposed to the generic category that I've just delineated.

(The next slide was shown to the Committee.)

The first one is an important category. It's final labeling, having sketch approval which is prepared without modification from that sketch, or with certain minor modifications that fall into one of these other categories.

Under our current system we give what are called sketch approvals of labels. What that entails is simply giving a dry-run, if you will, on a label submitted with the form, but not the actual label to be used. This is really a service that we provide. We still, under the present system require a follow-up review of the label itself, but frequently people with take advantage of that because they'll want to clear up any problems that might arise in the label product prior to the actual printing of the plates and of the labels themselves.

There are many situations where we have issued a sketch approval and where either there are no modifications or the modifications are minor. In that kind of a situation, after you get them approved, you can simply show it to the inspector and have him approve it.

Number two, labeling for single ingredient products which do not contain quality claims. A label for something like a chicken leg or ground beef, or what have you, where there are no other ingredients. The ingredient really is the product. The label is not otherwise filled up with all sorts of other different kinds of claims.

Number three, is where a label which has been approved and with just minor modifications, which we've already started to get into.

Number four, products served to the Federal government in contract, shipping containers, non-union food products, inspection legends, parens, and various inserts, tags, liners, and other such devices.

You can see from the asterisk again that some of this reflects as guesting authority in the current regulations, and again the category is being expanded.

In all of these situations you have the option of getting the inspector to approve such a label or labeling change versus having to send it to Washington.

(The next slide was shown to the Committee.)

Now the next is a further definition of what are these minor modifications that are addressed in terms of what the I.C.C. can approve, a minor modification contemplating the fact that there's a preexisting label in the first place. Name changes, deleting the word "new." That little thing itself generates a fair amount of paperwork because a lot of people will put new on a label and put it in a new marketing area. Under the present system, everytime you put it on or take it off, you've got to send it to Washington because it's a new label.

Addition, deletion, or amendment of handling instructions, changes in ingredient quanity without a change in the order of predominance. That is essentially a formulation change off the same approved label because one of our basic requirements is to list the ingredients in their order of predominance, but what we also have is a piece of paper on file with the specific formulation. This will give greater leeway to change that formulation without changing that predominance without extra paperwork.

Addition, deletion, or substitution of the grade shield.

(The next slide was shown to the Committee.)

This gets into the topic I discussed earlier of temporary approvals.

As I indicated, we did feel it was worthwhile to

get that addressed in the regulations.

As you can see, we attempted to just lay out some general criteria which we feel are valid in the area.

Essentially we are saying that we will consider requests for granting temporary approvals when these criteria are met. When the labeling does not misrepresent the product, present any potential health, safety or dietary problems, and would not set up an unfair competitive situation, and where the denial of the request might create some undue economic hardship.

As we proposed it, we did propose a flat 180 day limit on the life of a temporary approval. Most of the time they're shorter under the current scheme of things, but on rare occasion in the past they have gone on longer and it becomes a management and mechanics kind of headache to make sure that the system is cleaning itself out of those things.

As I indicated today, the comment period is still running. We have at this point received about 15 or 20 comments, which are essentially supportive. There have been some reservations about questions like making sure we do have proper training, that we not be overly restrictive as to what we'll look at in terms of sketches, there is some concern about the limits on the temporary approvals.

There is more to this than the exercise of the rule itself. We have had to do a fair amount of planning in areas like

training and have projects ongoing, working with the inspection people to make sure that if we're going to go ahead and do this, that the thing is properly organized and lined out and everyone's trained properly. So that will absorb a fair amount of our energies in the next several months.

DR. ALFIN-SLATER: Is this just one person who is going to make these decisions, cr will there be a committee?

MR. HIBBERT: Which types of decisions? What do you mean?

DR. ALFIN-SLATER: The ones, for example, that you had on the slide just before.

MR. HIBBERT: For temporary approvals?

DR. ALFIN-SLATER: One in particular that bothered me was that denial will create a financial hardship. Still, I think that the person presenting the label has to prove that all the other criteria apply, safety, no health hazard, etc.

I'm just wondering, who makes the decision as to whether deny or approve a label? Is it one person or a committee? Under these new guidelines.

MR. HIBBERT: First of all, I think it is our intention that these are cumulative criteria. The simple hardship is not enough. The simple hardship obviously does not overweigh a safety concern.

In terms of who makes the decision, they are made by individuals. The way we work, in terms of bodies, there are

eight line label reviewers. They have an immediate supervisor in a branch, and then I am the Director of the office which includes that branch.

We know that the reviewers themselves will not give temporaries; their supervisor will, and then up the line, myself, my Deputy or other people in the Agency will also give them. But they are generally given by individuals.

DR. BRICKENKAMP: I have a question. How many inspectors in charge are there in the field?

DR. HOUSTON: There are 7,000 Federally inspected meat and poultry plants, and many of those are under patrol inspection, most of the smaller plants. So as a result you'll have one inspector in charge covering several plants. At the last count, I think there probably are around 2,500 to maybe 3,000 inspectors in charge.

DR. BRICKENKAMP: Thank you. The reason I'm asking is, this sounds very useful for the industry, but I wonder how much it's going to cost you all because of training and such things as that.

You have eight people now looking at the labels. How big a program and for how long have you planned in order to meet the needs of the training and so on?

DR. HOUSTON: What we did before we ever published this proposal was to carry out a pilot program utilizing these principles.

DR. BRICKENKAMP: I read the Federal Register about the manual and self-training and so on. Do you intend to continue that?

DR. HOUSTON: Yes, we do. But I think the main point is that this system has been pilot tested. It is not something that is a gleam in our eye. It's something that has been carried out at the field level. From our experience there, we are quite confident that it will work.

We recognize, as you point out, it will take a great deal of training. The extent that the industry will want to participate is up to them, it is voluntary.

The major problem, of course, is training, and to be sure that the inspectors apply those criteria in a uniform manner. As you imply, when you go from eight people to several thousand, uniformity can become a problem. However, we are limiting what those inspectors do to some rather simple changes.

During our pilot program we found out that the error rate was not that high, and the errors that were made were of an insignificant nature.

I think we have a lot of data which will show that this can be done in a practical way considering the inspection system that we have to carry out.

DR. BRICKENKAMP: I wasn't asking the question from an adversarial point of view.

I was really trying to find out approximately how much it will cost the Department in the training and the extra things because the Federal Register article did say that a 10 percent error rate had been seen to exist and that you intended to go a little bit more extensively into training.

Knowing that there are 2,500, at least, people out there who will need the training, I assume this is going to cost the Department a certain finite amount in terms of money and resources.

DR. HOUSTON: Yes, but it will not be out of pocket money. It'll be absorbed within the current budget by re-directing some training efforts to other areas.

I can't tell you exactly what that's going to be, but we will not be asking for additional monies.

MR. HIBBERT: Not all the aspects of the training have been fleshed out, but we're going to be relying pretty heavily on things like self-instruction guides.

Keep in mind also that you're not starting at square one. You're talking about questions that arise that he or she is generally familiar with to begin with just being in the plant, and by selection the categories should not impose a lot of real difficult problems.

DR. HOUSTON: Are there any other questions?

MRS. CRAMER: Just a comment. 22106 page indicated the comments that had been made were primarily negative. Would

you care to comment on whether this was an organized effort, and why these comments, do you feel, came in?

MR. HIBBERT: Are you talking about comments to an earlier proposal?

MRS. CRAMER: On the February, 1980, proposal that was indicated here.

MR. HIBBERT: In February, 1980, we really were proposing something quite a bit different. We were talking about a continuation of centralized approval but we were proposing some changes in the manner in which we reviewed them.

Under the current system approximately half of the labels come in to us through the mail and half of them come in in person by representatives of companies, either employees or centralized Washington services that provide that service to the industry. That has been an item of some controversy over the years. There was some sentiment at that time that it was somewhat unfair to be giving appointments to people walking in on day one while mailing labels were sitting for perhaps a couple of days because of resources.

As the discussion indicates, there were negative comments. There was some organized letter writing against that proposal.

But that is quite a bit different from what we're proposing now.

MR. LOUNSBERRY: I have a question.

You mentioned, and maybe I didn't hear you correctly, but I thought you said there were relatively few comments in so far and that most of them were positive; is that right?

MR. HIBBERT: That is correct.

MR. LOUNSBERRY: Fifteen or so.

MR. HIBBERT: There may very well be more between the time I came here. They tend to come in towards the end.

DR. ROSS: Did you ever implement the G.A.O. suggestion, first in, first out, on the labeling?

MR. HIBBERT: That really relates back to that question about the 1980 proposal. That proposal was not adopted.

As a practical matter we haven't had that much of a problem because the staffing is somewhat better than it was back then. We really do not have much of a backlog problem. We're generally getting to yesterday's mail today. As long as we can do that, we don't have a big problem in the backlog area.

DR. ROSS: Another question. In view of the apparent vehemence of Herson's letter, would you care to comment?

DR. HOUSTON: For purposes of clarification for the rest of the Committee, there is a label expediting firm in Washington that has written to a number of packers and to Congress which reflects adversely on this proposal.

I think you can see that if this proposal were to

be enacted, it would cut down on the amount of business the label expeditors conduct at the Washington level.

As Bob mentioned, if we go from 100,000 labels to 50,000 labels, it's conceivable that a 50 percent reduction of that service could occur.

I will not comment on the Herson allegations nor the Herson letter. It was very critical of the Department. I will not comment on it because we are in rule making, and I don't want to pre-judge the issue.

I would say though, that I think the meat and poultry industry, the people in the industry, have the intelligence to make their own decisions and will come to a carefully constructed decision when they decide to comment on this without having to rely on the kinds of information they got from that particular document.

I would add also that Mr. Hurson has made allegations of corruption and bribery against a number of individuals over the last 15 years, individuals within the Department of Agriculture, and he may even have included me. The number is so long and lengthy that I forget who's on it.

Those allegations have been investigated on a number of occasions by the Inspector General. There have been F.B.I. investigations. And at no time, and I emphasize, at no time, have those allegations been corroborated by independent investigations by the groups I mentioned.

Of course it is disappointing that Mr. Hurson continues to make those allegations. Obviously, as a citizen a taxpayer, he has a right to do that.

We'll also carefully consider Mr. Hurson's comments when we construct the final rule.

DR. ALFIN-SLATER: This is actually what I had in mind when I asked whether this was going to be one individual or a committee.

I think if you have more than one individual, you can sort of bypass this kind of criticism. You can't corrupt a whole committee.

DR. HOUSTON: Dr. Foster, did you have a comment?

DR. FOSTER: Yes, and that's what it is, a comment and not a question.

I don't have pipelines to all the meat industry, obviously, but I hear something now and then. The question of uniformity, the need for uniformity and the need for better trained inspectors always comes through.

I mention this only because I think it deserves a great deal of emphasis.

One person mentioned the hassle they'd had with their inspector because they wanted to change the color of the label and he wouldn't let them, so they went to Washington and it was approved.

I don't know how you can avoid that. Obviously it

becomes a matter of individual judgment.

The training and guidance to these people so that they have something common to follow is going to be absolutely essential if this is going to work. I recognize the fact that anyone who doesn't like the system can always go to Washington. That's their alternative.

Perhaps that will be the best way, or a way out of their problem, if they have one. But obviously you're trying to get away from that. You're trying to get them to settle these things locally. The best you can do in training these people to understand what is acceptable and what isn't will make it go a lot smoother.

DR. HOUSTON: Well, I don't want to start a discussion that would negate the kind of discussion we want tomorrow in the area of substance, but I would make several notes.

First of all, we're proposing to slaughter a sacred cow. You know the problems that occur when you do that. We're changing a system that's been in place for many years, and many people have come to depend upon it, including the label expeditors, who have evidently developed some good businesses. I'm not privy to their financial statements, but I suppose they're making money, they're still in business.

It doesn't mean we have to continue those systems if they can't be improved. If we can cut out red tape and if

we can do it better, more efficiently, we should, without losing effectiveness.

I would make one other comment to add to Bob's presentation, and that is the fact that we did get a number a petitions in this area. Notably, the National Food Processors Association, the National Margarine Association, and the American Meat Institute. The National Food Processors Association did ask us to go all the way, to do away completely with prior approval of labeling. The American Meat Institute petition did not go that far.

I think that reflects feeling among many meat packers that they do not want to see this system done away with, at least at this point. They have come to use that system, to see the system as a protection to them, especially small plants. They see the review of labels as a way that some companies cannot gain an economic advantage by producing a product that might be of lower quality or not meet USDA standards. By having the U.S.D.A. overseeing that system, it provides greater uniformity in the industry in terms of competition and everyone having to operate from the same ground rules.

The last point I'll make is that F.D.A. does no prior approval of labeling. Companies are free to develop their own labels. Of course, there's risk involved. If they're not in compliance, they're subject to being taken off

the market, they're subject to recalls and they're subject to litigation.

That is another reason that there are members in the meat industry who would still want the opportunity to have labels prior approved or pre-approved; to avoid possible recalls, to avoid the possibilities of litigations, and so forth.

MR. CARBAUGH: Mr. Chairman. The voluntary aspect of this program, if I were a meat packer and I did not wish to have the inspector in charge approve my label, I could request that Washington approve it; is that the way that works?

MR. HIBBERT: That's correct.

MR. CARBAUGH: The other thing I'd like to ask, are there any implications at all in terms of the system as it relates to international trade?

MR. HIBBERT: No, I don't think so. You still need to export, an approved label.

MR. CARBAUGH: It wouldn't make any difference where that approval occurred?

DR. HOUSTON: You're talking about a product coming into the United States or leaving?

MR. CARBAUGH: Leaving.

DR. HOUSTON: These same rules would apply.

You've raised a point, though, and I think we need to mention it so if there are any comments tomorrow they should be made.

We also give approval or pre-approval to labels of imported products, products that will enter the United States. For example, if a packer in Canada wanted to ship a product down here, they must get that label pre-approved. If someone wants to send in a ham from Denmark or a canned ham from Poland, those labels are pre-approved, also.

I don't believe our proposal would change that procedure.

MR. HIBBERT: No, it wouldn't, because as a practical matter you don't have the inspector over there.

DR. HOUSTON: There's an inspector over there but not our inspector.

DR. BRICKENKAMP: I have a question about general keeping of catalogues of such. I assume everything that the inspector in charge will approve will have to go to Washington so that somebody keeps track of what's going on.

MR. HIBBERT: We're going to get a copy of every inspector approved label and it will go into a central file and it will be there for data purposes and also for auditing purposes.

DR. BRICKENKAMP: And also training purposes?

MR. HIBBERT: Yes.

DR. BURNETTE: In the proposal it mentions that there's a numbering system that's been invented in which all of these labels will still go in the same relatively

chronological numbering system even though they're approved out in the plants.

Can you tell me how you managed that mathematically?

MR. HIBBERT: No. I can tell you that we're working on it and that there are people far better with numbers than I that I'm sure will come up with something intelligent, but as of now we don't have it all fleshed out.

DR. HOUSTON: Any other questions for clarification on that area?

MR. LOUNSBERRY: You said something about 7,000 Federal inspectors in charge?

DR. HOUSTON: There are about 7,100 plants that are under Federal meat and poultry inspection.

MR. LOUNSBERRY: Well, I assume there's a Federal inspector in charge, the head honcho where they have 47, 48 in one plant,who would be authorized to make a label change, would it be the inspector in charge, then?

DR. HOUSTON: That's right. Each plant has designated for that plant an inspector in charge.

MR. LOUNSBERRY: So you would have, conceivably, about 7,000 different, potential individuals making judgments?

DR. HOUSTON: No, sir. The reason is that many small plants are covered under what we call a patrol assignment; when we may have four or five or six plants assigned to one

inspector. In fact, the majority of plants are under patrol inspection so as a result I would guess that we have 2,800 to 3,000 inspectors in charge.

MR. LOUNSBERRY: That must be in those states that no longer have Federal and state inspection.

DR. HOUSTON: You're correct because --

MR. LOUNSBERRY: -- because you sure as the devil don't have any patrol inspectors, Federal inspectors other than a few, about six, for the whole state of Iowa in 440 plants.

DR. HOUSTON: Where we have had to designate state inspection programs you're quite correct, because generally those are small plants requiring less than a full inspector in that plant. We have designated 23 states. Everytime that designation occurs, many, many more small plants have to be regulated by the Department of Agriculture.

MR. LOUNSBERRY: Then in a ballpark figure, what would you guesstimate or estimate the number of inspectors in charge that would conceivably have authority for approving a label, if this rule goes through?

DR. BURNETTE: I have the number. As of May the proposal says 3,200.

DR. HOUSTON: The answer is 3,200.

MR. LOUNSBERRY: Was that in here? I missed it if it was?

I was just going to make another observation on the

first one. You were talking about it was a matter of housekeeping, on the Margarine Standard. I think every other page is all we had there, so you couldn't have any continuity about what the rule was, what we received, anyway.

But it doesn't make any difference. Somebody said, "Who cares," only the margarine people.

MR. HIBBERT: I believe that was a mechanical error as opposed to any kind of manifestation of our attitude.

MR. LOUNSBERRY: Cut down on the observations, anyway.

DR. WHELAN: I just had a question about the extent of the problem that we're dealing with here, the prior labeling. How many violations are there under the old system? Are they expected to increase? Is this a big problem? Are people making false claims?

MR. HIBBERT: The way our system works you don't really wind up with violations, you wind up with labels that we won't approve.

DR. WHELAN: Well, is that an extensive number?

MR. HIBBERT: Yes. I couldn't give you a hard number. When you get into more complicated areas, when you get into areas like nutritional claims and things of that nature, you get areas of interpretation as to when a label is and is not misleading. That arises fairly frequently.

DR. HOUSTON: Keep in mind that if we go with this

proposal, the kinds of labels that would be approved by the inspector in charge at the plant level, even if he made an error, would probably not be an error of significance, nor an error that could create a public health problem or a serious problem, as opposed to those where we might have more complex claims, which would still be approved by the central staff.

MR. HIBBERT: The kinds of things that we go back and forth with, have arguments about with people, will still probably come in to Washington and there will still be some back and forth.

DR. ROSS: Will these inspecting chaps still have an opportunity to consult with Washington on questionable labels?

MR. HIBBERT: Yes, that's part of the planning process we're doing. We're probably going to do something in the nature of having reviewers be designated as contacts within a given geographical area, things like that.

MS. MUCKLOW: For people who have been involved in processing labels, this would mean that, for instance, if they have a sketch approval and then they send the label in for final, they will cut in half the number of labels that have to go to Washington simply because if they got a sketch approved, the final can be approved by the meat inspector.

Irregardless of any part of this proposal, that

would cut the very substantial quantity of labels. It's extremely important to people who are farther away from Washington in terms of saving time. It's very irrating to get your supply in from the printer and you can't do anything with it because it's got to go to Washington. It's going to probably take one to two weeks with today's mail service, even when Washington gives it a pretty quick turnaround.

You're simply reducing the volume of paperwork that really is rather unncessary anyway.

DR. HOUSTON: Any other points? Mr. Lounsberry.

MR. LOUNSBERRY: Another thing, the time involved in about 70 percent if it follows the pattern of the pilot project, would be greatly reduced, too, as I read it anyway. About 65 to 75 percent of the labels were approved in about an hour's time of the inspector in charge, compared to all the other time involved.

DR. HOUSTON: Any other points on that matter?

SODIUM LABELING

When we were together last year the Committee was given a briefing on the Administration's initiatives to reduce the dietary intake of sodium. In a very general way we outlined some of the steps that would be taken by F.D.A. and by U.S.D.A., and how we would be working together.

Today we want to give you somewhat of a progress report on what's occurred since then. Tomorrow you'll have an

opportunity to give us your counsel on this very important public health area.

MR. HIBBERT: Unlike the other two, this is really a more generalized kind of update. It doesn't translate into a specific proposal of one particular concrete thing.

(The first slide was shown to the Committee.)

The first slide is really an attempt to link back to the discussion that Dr. Nelson made at the last meeting. These are some of the general topics covered last time. There was some specification of the reason for concern about sodium levels in the diet, and there was some discussion of the Department's policy base as evidenced by things such as Mr. McMillan's testimony.

The Department, in addition to and in conjunction with the Food and Drug Administration, is working on encouraging a voluntary approach to sodium labeling, and the development of new low and reduced sodium foods.

This was also going to entail a commitment to research efforts and a public information effort as well.

(The next slide was shown to the Committee.)

In terms of public information, there is a new joint H.H.S./U.S.D.A. sodium publication called SODIUM, THINK ABOUT IT. I do have one copy with me if anyone wants to look at it and I'm sure we can arrange to provide copies.

Oh, you have them already.

In addition we have the label approval record itself which gives us some gauge on what's happening and who's doing it. We've gotten a steady increase in the level where we now have approximately 55 companies with in excess of 2,000 approved labels.

Now those numbers are a little tricky because keep in mind that those are numbers of labels and that that is not proportionate to the volume of product. What we have is approvals. A number of some of the major companies have gone with sodium labeling and are out on the market place. They are people like Oscar Mayer, Banquet Foods, Campbell Soup, a number of the baby food manufacturers such as Gerber. That really reflects relatively high volume of actual product on the market place with sodium labeling.

Within our focus, of course, that's meat and poultry products.

We also engage, not in my own office but in the science element of the Agency, in a sodium monitoring program.

(The next slide was shown to the Committee.)

This is an attempt to develop additional baseline data on sodium levels in a variety of foods. There are I believe nine target products that are being studied and samples are going to be coming in throughout the year, which will generate an internal data base, if you will, for a sodium level in a variety of the products we inspect.

I mentioned research and other kinds of public information. There is a research effort that entails an agreement with the Agricultural Research Service and has four basic aspects: applied research in reduction in food, the evaluation of possible substitutes, the monitoring itself, and the role of sodium in food safety and preservation.

(The next slide was shown to the Committee.)

In the public information area, in addition to the pamphlet, there are things being worked on such as, I believe, two television spots which should be airing in the next few months. Also a number of radio spots, including some that are geared to specific targets in the population such as Black and Hispanic audiences.

The last item on here is of some significance, concrete significance within the meat and poultry world, that is, changes in our sodium verification policy. An area of some controversy and some analysis in our system flowed and flows from the earlier requirement that we impose quality control monitoring requirements on anyone who is making a sodium declaration on a label. We received a fair amount of concern and complaint about the expense associated with that, and we're told that in effect that this was inhibiting the resort to sodium labeling because the backup laboratory work was too expensive and time consuming.

That bulletin relaxed some of those requirements to

the extent that it has shown a greater willingness on the part of the Department to dispense with quality control requirements in situations where there was significant, generally accepted data such as Handbook 8 data, which would support the sodium values being claimed, or if there was a more specific data base within an organization or a company which would support those claims.

In those situations we have pulled back on some of our backup quality control requirements.

(The next slide was shown to the Committee.)

This is an attempt to just sort of sketch out for you our current policy on sodium labeling itself. I should emphasize that we are in something of a transition situation as you might imagine, in particular since we do have an F.D.A. proposal pending now, which I'll get to in a moment.

But as of now sodium content information must be presented in milligrams per serving. This is voluntary, again, I should emphasize.

If you make such a declaration, you are not required to also use nutritional labeling. That is again your option, but your choice of putting sodium information on the label does not dictate that you put a full nutrition label on your product.

Conversely, if you have a nutrition label, you are not required to include sodium information within it.

In terms of claims, we will approve claims with

adequate supporting data for things such as no salt added, and we will approve a low sodium claim on the basis of 35 milligrams per 100 grams. This is an area of some controversy. I'll get into that again when I get into the F.D.A. proposal because F.D.A. is going in a different direction.

We will allow some comparative claims if they are adequately explained.

In terms of support data and this is worth keeping in mind, that again we still have prior label approval and we do have a situation where we, unlike F.D.A., are evaluating data in support of that in the first instance before the label is used.

As part and parcel of label approval in this area, we will require some degree of analytical data to support the values being claimed on the label. That is distinct from the backup quality control effort that I talked about earlier. That is an initial data presentation situation. The quality control program I've already mentioned.

(The next slide was shown to the Committee.)

We issued what's called a policy memo approximately two months ago which made some changes in this area, particularly in the low sodium claim area and in a few other situations and that sparked some controversy. That was issued at about the time the F.D.A. proposal was issued. It was an attempt in some respects to reconcile some of the differences with F.D.A.

that I'll get into in a minute. There was also some concern that that was premature, that we had not allowed sufficient debate, initial debate on the issue as would be driven in particular by the F.D.A. document.

As a result we've pulled back on that. That memo is no longer in effect. As I mentioned the old low sodium policy is still effect, and we are now working on reconciling these guidelines.

DR. HOUSTON: Before we go on, I was curious to note, as Bob pointed out, at this point in order to encourage sodium declarations, we are not mandating full nutrition labeling as a requirement. At the same time we're not requiring sodium as part of nutrition labeling; again because we want to keep as much nutrition information on that label as possible. If someone doesn't want to make a sodium declaration, then they're going to drop their whole nutrition label.

We're trying to be as flexible as we can and still get as much nutrition information on that label. I don't want to continue to take up Mr. Jacobsen's press release here, but one of the reasons that he's called for the resignation of John Block is because he's refused to require sodium declaration as part of nutrition labeling.

I can assure you that Mr. Block is not involved in the day-to-day decisions with regard to sodium declarations

and nutrition labeling. I guess if somebody needs to resign, it's going to have to be Bob or me because we made that decision.

DR. ALFIN-SLATER: Let me state something here. It seems to me that you are absolutely convinced that sodium contributes to hypertension in humans when this has never been proved. It's been shown in animals, but the final word on sodium as far as human high blood pressure and hypertension are concerned is not in.

It maybe that it's a potassium deficiency, or a calcium deficiency, or a magnesium deficiency.

I'm just wondering, I know that you have a human nutrition division in Beltsville, is any work being done on sodium and its relationship to hypertension in humans?

DR. HOUSTON: Any working being done in that area is probably going to be done at the Heart, Lung and Blood Institute, or by H.H.S.

In going into this program early in this Administration, there was a general agreement by F.D.A. and U.S.D.A. or H.H.S., Assistant Secretary Brandt and Commissioner Hayes, that this was a needed and necessary program in their view, and especially Dr. Brandt as the Chief Health Officer, so to speak, for the Federal government. In his view it was the kind of information that the public needed.

I think that some controversy still exists. I'm sure

that they would state that there's a strong correlation between sodium intake, or at least reduction in sodium and improvement in patients being treated for hypertension.

From that standpoint and some of the clinical experience that Dr. Hayes had during his years in Pennsylvania, that decision was made. I think at least from their standpoint there's enough evidence that people ought to be aware of what they feel is a strong correlation,and that we ought to provide information on the amount of sodium in the foods we eat.

Again, though, I would emphasize that we are not mandating sodium declarations. We are not mandating sodium claims. What we're doing is setting up a system so that people who want to voluntarily make sodium declarations or make sodium claims can do so and that we can attest to their truthfullness.

Dr. Whelan.

DR. WHELAN: I think we have to make a distinction between the consensus in the scientific community on people with hypertension being adversely affected by salt, by sodium, and those in the general population being so affected.

In this little booklet I was a little troubled because it seems to say to the consumer we take in more sodium than we physiologically need and then, therefore, ergo, it is harmful and we'd be better off without it.

I think that is skipping a very important part of

the scientific dialogue which is still in process. By talking about the labeling, voluntary or not, and putting it out for the entire population, I think it suggests that a consensus has been reached on sodium as being a causative factor in hypertension where I don't believe it has.

DR. HOUSTON: We welcome those comments and tomorrow when we get into the discussion on the substance of these programs, we certainly want to hear more in that area and take it into account as we move with this program.

DR. CRAIG: Didn't we have a report at the last meeting about 20 percent of the population would respond to a reduced sodium level in the diet? It seems like there was some figure that came forth at that meeting.

DR. HOUSTON: I don't recall.

DR. ALFIN-SLATER: I think that's right. I've seen that figure, too. But this means that 80 percent of the population is not affected.

DR. CRAIG: It also means that 20 percent might want to make the choice. That's what I'm reading into this, now.

MR. HIBBERT: The F.D.A. proposal which I'll get into in a moment cites an estimated figure of 60 million in the United States.

DR. BURNETTE: While you're looking for that, I'm just going to say for the record that I used that figure last

time and it's because the F.D.A. is using the high number of up to 25 percent, and the GRAS survey used a low number of down to 15 percent. So somewhere around one out of five, one out of four people are responsive to sodium. That's how it got into the record last time.

MR. HIBBERT: The F.D.A. proposal which I mentioned was issued on June 18th and there are some differences from what they're proposing and our present policy.

In the first instance they're also requiring a declaration of milligrams per serving. They're taking a view that a sodium declaration will mandate nutrition labeling, but they are taking the view that this will become, if this part of their proposal's adopted, a required feature of a nutrition label. In other words, you will be able, if their proposal's finalized, to make a sodium statement without a nutrition label. But if you have a nutrition label, it will have to have a sodium statement in there.

That is different from what we're doing now.

In terms of claims, they did some additional elaboration of claims and, if you look at the second item, you see that point of controversy. They proposed a low sodium claim to run with 35 milligrams per serving as opposed to a set value such as 100 grams.

They also further defined claims such as "moderately low sodium," "reduced sodium," and some discussion of comparative

claims and items such as sodium free and salt free.

In terms of supporting data, again keep in mind that mechanically their's is quite a bit different than ours. They talk in terms of compliance criteria in terms of a 20 percent margin for error. As is relevant to what we were saying earlier about things like data bases, their proposal expresses some hospitality to uses of those kinds of things.

But essentially under the F.D.A. system they are going to be accepting the value that you put on your label. They are not going to be prior approving it or looking for data up front. Then they are going to be monitoring compliance within this 20 percent margin of error.

In terms of what happens next, obviously what happens on the F.D.A. rule is going to be important. We have continued to talk with them on all the different levels. This is an attempt at a joint effort, an attempt to limit the amount of discrepancy that would exist in the two systems; but at the same time past a certain point, we do have independent authority and we do have the ability to disagree with one another.

Number two, through that process with F.D.A. and on all sorts of formal and informal levels we are continuing to get input from people and input from groups such as this.

And number three, we are going to have to make some decisions in this area as to what approach we will take,

both in terms of some substantive decisions such as serving size questions, additional questions about claims. We'll have to decide upon a procedural vehicle for doing that, be that something informal such as the issuance of informal guidelines or, at least conceivably, engaging in our own rule-making process.

DR. BRICKENKAMP: Excuse me, I have a question.

The question of nutrition labeling, are there any standards at the Federal government level, either F.D.A. or U.S.D.A., for what are the minimum things to be in a nutrition statement?

MR. HIBBERT: Yes. F.D.A. has a specific regulation on that and addresses a nutrition label with some specificity. We do not have our own nutrition labeling regulations. We do essentially follow the F.D.A. scheme of things, although we approve a lot of labels with short format, with just macronutrients without a complete specification of micronutrients.

DR. ALFIN-SLATER: Do you have a mechanism for monitoring all of these labels to see that when somebody says 35 milligrams per serving, it actually is 35 milligrams?

I say this because I walked here from the downtown airline terminal and saw two health food stores with big letters that said, "We have starch block."

I know that the F.D.A. has recalled these. I

thought it illegal to sell, but they're selling them.

DR. HOUSTON: Well, I can't comment on foods that aren't under our jurisdiction or that may be under local control.

Going back to what we talked about a few minutes ago on the prior label approval will answer your question as to how we control 35 milligrams per serving, or 35 milligrams per hundred grams. When that label comes in and that declaration is made, that product is not yet being produced until the label is approved. Included with it is a formulation statement as well as laboratory data or Handbook 8 data or some other data that will support the claim.

By looking at the formulation and the data, we can then judge as to whether or not that claim is valid. If it is, we will then let that product be produced.

Our inspectors are required to see that the companies maintain consistency; that they do formulate products in line with the approved formulation. If they do that, the claim itself should remain valid.

In addition, we will take verification samples from time to time to be sure that they're within some acceptable variation.

So it's an inplant inspection program formulation controls coupled with some laboratory verification testing that assures that those products going on the market are

truthfully labeled.

DR. BURNETTE: Don, is there any discussion or probability, there's always a possibility, of joint hearings on this with F.D.A.?

DR. HOUSTON: Well, I don't know if F.D.A. is even going to have hearings. They're going through rule making. I don't think we're going to comment on that rule. We're going to leave that up to the public and to the affected parties.

We're of course very interested. As I said, we want to be as consistent as we possibly can with F.D.A. We don't think consumers should be subjected to different label claims and different statements. It gets confusing, and it's poor public policy to do that.

But as we have in nutrition labeling, we have not adopted the F.D.A. rules. We utilize them; but we're much more flexible, and as a result I think we get much more nutrition labeling even if it's in an abbreviated form sometimes.

DR. WILSON: Bob, I think you clarified this, perhaps if you did I didn't like what I heard.

Relative to milligrams per serving when you were saying simple labeling, you indicated that milligrams per serving were in order, but on the U.S.D.A. slide you showed in claims that you would require in milligrams per hundred gram. This strikes me as being rather inconsistent with the

two declarations.

MR. HIBBERT: I'm saying there is an inconsistency. There's F.D.A. going out now and posing that the system be changed to per serving, and we're still working off the hard number of per hundred grams.

DR. WILSON: But you weren't consistent within your own policy, though.

MR. HIBBERT: No. Thirty-five milligrams per hundred grams as a maximum for a low sodium claim is our policy.

DR. WILSON: And simple labeling is milligrams per serving, is your policy. That's what I'm trying to clarify.

On your U.S.D.A. slide you showed two declarations for sodium, one in milligrams per serving for a simple declaration. Down in category two you had claims --

MR. HIBBERT: Okay. We'll put that slide back on.

(The slide was again shown to the Committee.)

Yes. The distinction as between the flat statement of content and the claim.

DR. WILSON: Yes.

MR. HIBBERT: In terms of the statement of content, yes, and arguably that is not entirely consistent. But for statement of content, we require that you declare your milligrams per serving. In terms of when you are eligible to make a claim such as low sodium, that is geared not to serving but

to hundred grams.

DR. WILSON: I was hoping I didn't understand that.

MR. MC DADE: Did I understand this right, then, that low sodium to the U.S.D.A. is 35 milligrams per 100 grams, and since normally a serving is two ounces in most cases, to F.D.A. it's 35 milligrams per 56.7 grams. It's almost twice as much for F.D.A.; is that correct?

MR. HIBBERT: Of course it's a little tricky because while that's a serving size, it's not the only serving size, and that's where you get into some complications about what is a serving size.

We do not have, neither we nor F.D.A. has hard definitions on the books as to what is a serving size, and that's where you start to incorporate some mischief into the mathematics here when you start to move the size of the serving size around.

MR. MC DADE: It seems that most serving sizes are around two ounces, and it seems to me these would almost be a hundred percent apart, then, per hundred grams.

DR. HOUSTON: Well, that's the reason for the arguments that are going on.

DR. FOSTER: I don't know where you get that two ounces as most serving sizes. I've got a table right here from the Atlanta paper yesterday with about 25 items listed, source, U.S.D.A. Handbook No. 456, and the serving sizes range

from a teaspoon to eight ounces, a pint.

MR. MC DADE: A teaspoon of poultry?

DR. FOSTER: No, no, get poultry off your mind. These are serving sizes.

MR. MC DADE: But normally in the nutritional labeling that I've worked with on, it certain does not have to be two, but I'm saying that these seem to be further apart than I considered them being when I first read it through. The F.D.A. and U.S.D.A. are considerably apart.

DR. BURNETTE: Luncheon meat is one ounce. There's four times the difference.

MR. MC DADE: A frankfurter is four ounces.

DR. BURNETTE: This is tomorrow, isn't it?

DR. HOUSTON: I hope so.

Does anyone else have a question in this area before we proceed?

Okay. We've been sitting here for two hours, let's take a break and come back at 3:15 p.m., please.

(Whereupon a 20-minute break was taken.)

DR. HOUSTON: Let's reconvene the meeting.

We're scheduled to be out of here by 5 o'clock so we'll have to move through the next several areas but I think we'll be able to do it.

We'll be talking about Continuous Inspection, Import Inspection, Food Safety Legislation, and the Food

Safety Poster Contest for the remainder of the afternoon.

LESS-THAN-CONTINUOUS INSPECTION

Let me take a few minutes at this point and talk about Less-Than-Continuous Inspection, or as it's sometimes called, Discretionary Processing Inspection.

We talked about this last year when the Committee was together, but there's been a number of actions since then and for the new members I'll get into some of the background.

Legislation has been introduced in the House and Senate to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to give the Secretary of Agriculture broader discretion in determining the intensity of inspection provided to individual meat and poultry processing plants. I believe copies of the House and Senate bills were provided to you in your information package.

The proposed changes would give the Secretary authority to adjust the staffing of inspection personnel in processing plants based on the compliance history of the company, the degree of public health risk associated with a given type of product, the quality of the company's own inplant monitoring system, and other factors the Secretary deems appropriate. There's been some question about what these other factors are, but they relate principally to criminal involvement and when we find that, we would have the

authority to take action to increase intensity of inspection, regardless of what other factors might be taken into consideration.

Hearings on the proposal have been scheduled for August 10 before the Subcommittee on Livestock, Dairy and Poultry of the House Committee on Agriculture. That particular Subcommittee is chaired by Congressman Tom Harkin if Iowa. We feel fairly confident at this point that we will also have hearings sometime in August or at least within this session of Congress by the Senate Ag Committee, but there has been no date set at this point.

Under the law as it is now written, Federal inspection is provided on a daily basis in all processing establishments. Under the proposed amendments, the Secretary would have discretionary authority to determine, on a plant-by-plant basis, the appropriate level of inspection in processing plants. It should be emphasized that the proposal to give the Secretary discretion in determining the frequency and extent of inspection would apply only to the inspection of processed meat and poultry products. It would not affect slaughter inspection. An inspector would still be required to be present during all slaughter operations and to inspect every livestock or poultry carcass.

The language of the Federal Meat Inspection Act states tha inspectors will "mark, stamp, tag or label as

'Inspected and passed' all meat food products," and applies to both slaughter and processing inspection. A narrow interpretation of the language could mean that a U.S.D.A. inspector must personally inspect every frankfurter, piece of luncheon meat, and pork chop before it could be "Inspected and passed" and that an inspector must personally place every label, mark, stamp, or tag on each item.

The Department has never interpreted the language so narrowly since to have done so would have created enormous costs without significantly increasing the effectivenss of inspection. Instead, it was decided that the Act called for the daily, continuous presence of Government inspectors in both processing and slaughter establishments. This position is supported in the legislative history of the Meat Inspection Act and the Federal Meat Inspection Act, as well as by subsequent opinions of the Department's General Counsels over a number of administrations.

From 1946 to 1976, total meat production doubled, but the production of further processed meat almost quadrupled. Recent years have witnesses an increased demand for processed convenience foods served in the home, and a large part of the population reguarly eats at fast-food restaurants supplied by the meat and poultry processing industry.

During the years when the processed food industry was growing rapidly, many processors tended to rely on U.S.D.A.

inspectors to control the quality of their products. Some companies eventually realized, however, that to fulfill consumer expectations they would need more sophisticated procedures for controlling production and began designing systems specifically for controlling the production process. These systems, generally called "process quality control," were designed to provide consistent and uniform products that were produced at predictable costs and that met Government regulatory requirements.

During the las decade the number of Federally inspected meat and poultry processing plants increased 60 percent, from 4,200 approximately in 1971 to 6,821 in 1981. The figure 7,000 plus that I used a while ago, of course, included slaughter plants.

In the same period, the volume of Federally inspected processed product increased 48 percent, reaching about 105 billion pounds for 1981. The total cost of processing inspection has increased from $28 million in 1971 to $76 million in 1981. In fiscal year 1981 processing inspection accounted for 26 percent of the total F.S.I.S. budget.

The large number of plants under inspection strains the use of resources because of the necessity of providing daily inspection to plants whose production or product complexity may not justify the assignment of a full-time inspector. To cope with the problem, U.S.D.A. has established

"patrol" inspection. Under that patrol system, inspectors do not spend a full day in an establishment but are responsible for several plants within a geographical area and visit each plant at least once a day. About 55 percent of processed meat and poultry production now under Federal inspection is inspected on a patrol basis.

Although patrol inspection and other management innovations have enabled U.S.D.A. to restrain the growth in the number of processing inspectors to only 10 percent over the last decade despite the 60 percent increase in the number of Federally inspected establishments, in many ways this inspection system is inefficient. Transportation costs are high, and large amounts of an inspector's time are devoted to nonproductive travel. Although the growth in the number of processing inspectors has been curbed, overall personnel costs have escalated dramatically during the period because of inflation.

In its 1977 report entitled "Study of the Federal Meat and Poultry Inspection System" a consulting firm commissioned by U.S.D.A. recommended that the Department, to reduce inspection costs, adopt a monitoring approach to inspection, relying on processors' quality control records as part of an inspection technique. The monitoring by inspectors of quality control records would be combined with verification samples and plant visits to ensure compliance with Federal regulations.

In essence, the study recommended that industry assume the primary responsibility for providing evidence that it was meeting regulatory standards.

If the quality control method of inspection were adopted, the study estimated, U.S.D.A. would achieve major savings through a reduction in the total number of inspectors. At the same time, the Department would gain increased flexibility in the use of its inspection resources and would be able to focus on problem areas. The report also predicted that the cost to industry of establishing quality control programs would be offset by reductions in product defects and production down-times and by the elimination of overtime costs for inspectors.

In December of '77 the General Accounting Office issued a report entitled "A Better Way for the Department of Agriculture to Inspect Meat and Poultry Processing Plants" which recommended that U.S.D.A. inspectors monitor industry-operated comprehensive quality control systems by making periodic, unannounced visits, submitting samples of finished product for laboratory testing, and checking company records. In addition, G.A.O. recommended that the frequency of inspection be tailored to individual plants.

In a 1981 report entitled "The Department of Agriculture Should Have More Authority to Assess User Charges" the G.A.O. endorsed its earlier proposal that U.S.D.A. adopt a

system of periodic, unannounced inspections coupled with inplant quality control programs. Moreover, G.A.O. urged the Congress to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to allow the Secretary this method of processing inspection.

In the last several years the Department has, through restructuring and development of new methods, taken steps to modernize meat and poultry processing inspection and hold down costs. However, we can only go so far to reduce costs, however, without sacrificing effectiveness -- particularly in slaughter inspection -- so the Department has looked to changes in processing inspection as a safe and appropriate way to increase efficiency.

Since the 1960's the Department has recognized the value of encouraging industry to develop partial quality control programs over key production processes as a means of improving inspection. Currently, over 700 meat and poultry processing plants have instituted more than 2,300 partial quality control programs. Examples of these programs include time and temperature control, net weight, nutritional labeling, and fat and added water controls.

Perhaps the mose far-reaching response of U.S.D.A. to the changing trends in meat and poultry processing has been the development and implementation of the voluntary Total Quality Control system, which grew from the expanding partial

quality control programs. On August 15, 1980, the Department published regulations on voluntary total quality control systems for meat and poultry processing plants.

Under the T.Q.C. program, plant management develops a plan that establishes organized controls at each critical phase of product handling and processing. The Department evaluates the plan to assure that the system will consistently produce products in compliance with regulatory requirements. Once a plan is approved, U.S.D.A. inspectors trained in T.Q.C. inspection monitor the data generated by the system. Inspectors also conduct their own independent observations and draw samples for verification testing in U.S.D.A. laboratories.

Our experience with T.Q.C. has shown that it is not always necessary for Government to act as industry's quality control system. Industry for its part has proved that it can and will assume its share of responsibility for producing products that are safe, wholesome, and in compliance with regulatory requirements.

It should be emphasized that the proposed legislation places no new requirements on the regulated industry. It does not impose mandatory quality control systems, but is limited to giving the Secretary increased flexibility in using inspection resources, based on sound criteria. While it is true that the bill would permit the regulatory burden to be eased in plants operating good quality control systems, the

decision to implement such systems remains totally with the industry.

Participation in the Department's voluntary T.Q.C. program constitutes only one of the factors that would be used to determine eligibility for less-than-continuing inspection. As required under the bill, the kind of processing operations involved and an establishment's compliance history would be equally important considerations. Finally, the management's attitude toward and ability to deal with sanitation and other product safety requirements would be considered.

If the discretionary processing legislation were enacted, the major difference would be that the Department would have the authority to determine the nature and frequency of inspection at each processing establishment and would no longer arbitrarily be locked into providing continuous inspection to processing plants. In those cases in which plant management has demonstrated that it is both willing and able to assume a greater share of responsibility for product compliance, it is not necessary for the Department to inspect the plants on a daily basis. The legislation would enable the Department to develop a more rational system of inspection than is now possible and to tailor that system to actual inspection needs.

Are there any questions on that?

Dr. Wilson.

DR. WILSON: I have a question, not on the specific area that you've already mentioned but it's relative to the change, the suggested change at least in the logo which would go with less-than-continuous inspection, indicating that the product was prepared in a U.S.D.A. inspected and passed plant as contrasted to U.S. inspected and passed.

I review the proposed change as a delegation of responsibility to the plant, or at least I think that's implied, very much like the T.Q.C. program you were just describing. If under the T.Q.C. program the plant still can retain U.S. inspected and passed, and you're suggesting that T.Q.C. would go hand in glove with reduced inspection. I don't follow the rationale for and perhaps you could explain the rationale for changing the logo.

My concern for that is that. I think we've worked for many years in the industry to get the consumer to understand what U.S. inspected and passed is. She's still mixed up with what that means versus the grading stamp. We don't really see it being desirable to introduce another stamp.

Perhaps you could explain why you think there's a need for it.

DR. HOUSTON: I didn't cover that point, but as further clarification, Dr. Wilson is pointing out that the bill language would change the inspection legend to read

from "U.S. inspected and passed" to "prepared in a U.S.D.A. inspected plant."

I think it goes back to what I mentioned earlier that there's no way that we can inspect every frankfurter, every piece of meat, every package that leaves the plant. To some people that implication is there in the current inspection legend; U.S.D.A. inspected and passed implies to someone buying a package of frankfurters that everyone of them was personally inspected and checked and passed by U.S.D.A. inspector. That's certainly not the case, and those of you familiar with food processing operations know that it would be an impossible task to do that.

So we took the opportunity to get away from that language and to at least propose language that was more consistent with what we are doing, which is that we're inspecting that plant, and that it was prepared in a U.S.D.A. inspected plant, and not necessarily the product being inspected. Because that's really how we're operating. I think it would be better language if we go to less-than continuous inspection.

These products would still be coming out of U.S.D.A. inspected operation.

We don't consider that a critical point in the bill. We've never felt that language should be considered necessary in order to get that bill passed. If the

Congress and others in their wisdom as we hold hearings on this bill, feel that there are better ways to resolve that problem, I think the department is certainly willing to consider other language.

But for purposes of clarification, those are our reasons, Dr. Wilson. The bottom line is that we are quite willing to consider other language at such time as we have hearings on this matter.

Dr. Burnette.

DR. BURNETTE: I understand that the intent is to continue 100 percent inspection for pre-mortem and anti-mortem slaughter and only go to phase inspection for the processing.

DR. HOUSTON: That's correct.

DR. BURNETTE: In reading the language of the proposed legislation, there is language in there which says that there are products that are in slaughter plants or whatever.

Am I correct that by not having the legislative language pertain to Sections 3, 4 and 5, that that puts it exclusively in further processing and leaves all pre and post slaughter inspections untouched even though slaughter establishments are mentioned in Section 6? It doesn't pertain to slaughter inspection?

DR. HOUSTON: You're correct, and the reason the language is written that way is because processing operations

are sometimes carried out at slaughter establishments, and that is the reason for that language, to be sure that those operations which are considered further processing in slaughter establishments, under the same roof if you will, will be subject to the discretionary authority that this bill would give to the Secretary. That's why that language was written that way.

It's been confusing to a number of people who have read it because they immediately draw the conclusion that it means slaughtering, but it doesn't. It only means those operations that are considered processing in plants which also conduct slaughtering. It's to clarify that point.

You're absolutely right. It would not cover ante-mortem and post-mortem inspections.

DR. BURNETTE: I understand what you just said. I'm really asking, and I think you answered it, about the obverse of that, and that is by making no mention of 3, 4 and 5, then legally they remain unchanged.

DR. HOUSTON: I'd have to look at the law again before I'd say with finality I agree, but I believe you're correct. I'll check into that tonight and talk to you about it tomorrow, but I'm quite sure that's the case.

DR. BURNETTE: Is there some way in Title 1 of the new proposed legislation that you could put a sentence in there saying that 3, 4 and 5, pre- and post-mortem slaughter

inspection aren't going to be changed so that then when you go to the other part, it'll be obvious you're not talking about that.

DR. HOUSTON: If you feel that's necessary, we can certainly consider it. The bill of course was written by the Department's general counsel with the full understanding of what our policy implications were intended to be. They assured me this was the case. But if you feel it needs strengthening in that area, we can certainly do so.

DR. BURNETTE: It's just confusing.

DR. HOUSTON: I agree with you.

MS. VISSIER: The language is not in here, I don't think, it may not be appropriate in the law. It maybe that it should be in rule making. Will the point at which further processing begins be spelled out?

DR. HOUSTON: Yes, it will, but again that will have to be done in rule making. We would not want to get that specific in the law because then it inevitably creates problems in the future.

Our present thinking is that it would be any procedure that occurred after post-mortem inspection is completed. In poultry plants, with which you're familiar, that would include chilling, for example. In red meat plants it would include inspection of coolers.

DR. BURNETTE: Those would be part of the allowance

for phased inspection?

DR. HOUSTON: That's correct.

DR. BURNETTE: So you'd be inspecting records.

DR. HOUSTON: Plus other things. You'd be doing record checks; you'd be making visual observations, and also taking verification samples. It's more than just a records review.

Mr. Carbaugh.

MR. CARBAUGH: Just a question, Dr. Houston. Did you folks discuss the inclusion of a penalty provision for noncompliance in this bill, and if so, could you enlighten me on the background of that?

DR. HOUSTON: Yes, we did talk about civil penalties and chose not to include them in this bill. There were several reasons.

First this bill does not weaken the inspection system as we know it today, and to include civil penalties would infer that we're doing so. We believe if the quality control system would be utilized, is at least effective or more effective, than the present system we have today. It's a much more objective system. It generates much more data for the inspector to review than the present system does. It's much more systematic. Just generally, we think it does a better job based on the experience we've had to date.

So I would not want to bring in civil penalties as

a way of saying that this system is worse than the present system. It's a better system, so I don't think we need civil penalties.

We think the present penalties that are available to the Department are adequate. Those penalties include the authority for inspectors on site to retain or condemn product, to reject rooms. We have the authority to detain product outside of a plant. We have the authority to ask for seizure action in a Federal court. We have certain administrative sanctions such as removal of inspection. We can prosecute people, which we do. We can ask for Federal courts to issue injunctions.

We have a whole range of sanctions that we can rely upon based on the situation that we must face. It is for that reason that civil penalties were not necessary.

But most importantly we did not want to leave the impression that we were weakening an inspection system by having to include additional penalties.

MR. CARBAUGH: One more question. What happens when you have a situation where you have less-than-continuous inspection and you find noncompliance? What do you do then? Do you go back to full inspection?

DR. HOUSTON: I think it depends on what degree of noncompliance occurs. That is one possibility. Noncompliance

can occur from a very minor violation to one which could result in a criminal action. So I think we have to look at each one individually and judge it. But if it were serious enough and there was some evidence of a history of noncompliance, as I pointed out, that's one of the criteria, we could go back to continuous inspection where we could no longer place any reliability on that plant, and we would have to be more intense in the level of inspection required. That is one option and probably the option we'd take.

We could also, if it were serious enough, prosecute the company involved.

MR. CARBAUGH: Did you consider the possibility of charging that plant for that additional inspection?

DR. HOUSTON: The user fees?

MR. CARBAUGH: Yes.

DR. HOUSTON: Yes, sir, we did. The present position of the Department of Agriculture is that it strongly opposes users fees in carrying out the meat and poultry inspection program under any set of circumstances for a variety of reasons, and we can get into those.

But we do not want to open that door to user fees under any condition if we can avoid it.

MR. CARBAUGH: Not even in a limited way?

DR. HOUSTON: At this point we're not prepared to do so.

MR. CARBAUGH: I might say more about that tomorrow.

DR. HOUSTON: Dr. Burnette.

DR. BURNETTE: Just since the compliance clauses came up, I guess four years ago when there was serious consideration in both Houses of Congress of revisions of Food, Drug and Cosmetic Act, one of the things that was discussed was for inflation reasons if nothing else, including the existing F.D.C.A. dollar penalties to make them more commensurate with the Act, I suppose if you will. Now those provisions never passed; it never happened.

Has there been any discussion of taking the opportunity in this bill to modify Section 406 to increase the cap of $1,000 on meat and poultry and egg inspection provisions to make them more commensurate with the Act as Mason was asking?

Has there been any discussion of doing that in conjunction with these amendments?

DR. HOUSTON: Well, I don't have the law in front of me, but we have authority to go far beyond $1,000. That maybe for a specific set of actions there. I'm not familiar with that.

DR. BURNETTE: That's for the non-specific.

DR. HOUSTON: For example, I think the limit on fines is $10,000, and incarceration can be included many times

as well.

DR. BURNETTE: Right, up to three years. It's the same in the Food, Drug and Cosmetic Act and this was four years ago. Both Houses of Congress had pretty well decided if they moved the bill, they were going to move to put the F.D.C.A. cap up to $25,000, $10,000 not meaning much to most corporations, in their opinion.

So since there are a lot of the same Congressional members there, I'm just asking, has there been any discussion of the same thing on this bill?

DR. HOUSTON: To answer your question, there has not. There has been no consideration.

Any other questions on that particular area?

IMPORT INSPECTION

Let's turn to Import Inspection. There are a couple of slides that I want to start with before I get into some of the text.

What I'd really like to do is just bring you up-to-date on where we are in making certain changes in our Import Inspection program. But before I do that, I've got a couple of slides that I'd like to show you, just to put into focus where we are with imported meat coming into the United States.

(The first slide was shown to the Committee.)

Just as some background, the leading countries that are bringing imported meat into the United States -- and

I'll limit this to meat because there is little or no poultry that enters the United States -- the five leading countries are right there. Obviously Australia and New Zealand are leading the way. They supply principally fresh-frozen, boneless meat which goes for manufacturing purposes into the production of frankfurters and hamburgers and things of that nature.

Canada ships to us a whole variety of meat-food products, fresh products as well as processed products.

The principal item coming out of Denmark of course is canned, cured pork products.

There is some boneless meat coming out of Costa Rica.

Also another large supplier of cured pork products to the United States, probably just under Costa Rica in terms of volume is Poland.

(The next slide was shown to the Committee.)

Principally two items come into the United States, fresh meat which is frozen and again as I pointed out, that comes from Australia and New Zealand. The other products are canned, cured pork products, canned ham, pork shoulders, and those come from Denmark and Poland, who are the two largest suppliers into the United States.

(The next slide was shown to the Committee.)

In 1981 we had about 1.8 billion pounds of imported products offered for entry, and of that 11 million rejected

for a number of reasons, but usually it's foreign material, filth, sometimes underweight, but generally in those three areas. So you can see as a percentage it's a rather low amount.

(The next slide was shown to the Committee.)

In terms of what that means to our domestic meat supply, with regard to carcass weight -- I'm not going to read those numbers -- but imports as a percent of our total meat supply run around 7 percent a year. But for pork products it will be less than that, obviously they're lesser in volume. For beef it'll probably run close to 10 percent of the beef supply, something along that area. But an average of about 7 percent for all meat after you factor everything in.

(The next slide was shown to the Committee.)

Last year when the Committee met, we had just completed what was then known as the horse meat and kangaroo scandal. In July of last year we discovered a clandestine operation being carried out in Australia in which product was being reboxed or relidded and offered for entry into the United States as boneless beef. Fortunately a very alert inspector in Los Angeles picked that up and we were able to get on to it rather early.

I spent the entire month of December last year in Australia reviewing the new systems that the Australian government had put in place to preclude another problem.

In doing so, they discovered that they had far more serious problems than they had originally suspected. Most of it revolved around the fact that there are many sources of meat that we would consider exotic, exotic to the United States, but many available sources of it in Australia. It is traded quite freely.

They've also found out since this scandal broke that a lot of this product has been going into countries, especially in Asia and other areas where they do not have adequate inspection systems. It has been going in there quite freely, mislabeled as beef.

This is just an example. I was going through cold stores in some of their large cities. It's not uncommon to see boneless buffalo meat like this, which is water buffalo. It's not the kind of buffalo we have here in this country. But you'll see huge amounts of this.

I can't tell you where it all goes. But it's very easy right there to take that box top off and put a new one on it with a new label, and right away you've transformed boneless buffalo meat into boneless beef. Of course, that's what had been going on. They tried to get it into the United States and fortunately we caught it.

This product is very evident all over the country.

(The next slide was shown to the Committee.)

This is another cold store which shows kangaroo

meat in storage. Again, there are enormous amounts of this product available because you've got millions of kangaroos and they're field killed and dressed and brought into central areas where the meat is boned and packed.

I can't tell you where all of this goes. Some of it goes into the pet food industry. I think there's very little of it coming into the United States, but it goes somewhere.

DR. ALFIN-SLATER: Is there anything wrong with it?

DR. HOUSTON: Well, it's hard to say.

MR. LOUNSBERRY: When it's slaughtered and processed, yes.

DR. HOUSTON: That's the problem. You don't know the conditions under which the animal was slaughtered, whether it was a healthy or sick animal. Many times because they are field dressed, they're contaminated with filth and dirt. You have no knowledge, really, as to the quality of meat because there's no way to determine.

You can, of course, inspect it; you can open it up and check for filth and so forth.

But under our law, of course, by bringing that product in as beef it was mislabeled, obviously.

(The next slide was shown to the Committee.)

This is prime kangaroo meat. I don't know what "prime" is.

MS. MUCKLOW: How did it taste?

DR. HOUSTON: I didn't eat any of it.

(The next slide was shown to the Committee.)

You may not be able to see this very well, but this is some product from a company called Jason's Meats, which was establishment 622, which was one of the companies that we found had gotten product into the United States that was labeled boneless beef but in fact was kangaroo meat.

I just happened to be in a cold store and this product is under control of the Australian Federal Police, and although it is labeled boneless beef, it's all kangaroo meat and horse meat, and they were getting ready to ship it over here when the scandal broke. It was under control and is going to be used as evidence in some trials.

Since then they've held the trial and the person who owned the meat has been sentenced and I suppose this meat has been disposed of since then.

That's the kind of thing that was going on.

Now as a result of that scandal and the recent problems we've had with the product coming in from Costa Rica, which was outlined to you in materials that was sent to you, and that was principally a problem of poor control of export certificates by the Costa Rican government, we've done a number of things and I'll go over those rather quickly.

A number of steps have been taken in recent years

to strengthen and improve the U.S.D.A. inspection program for imported meat. These efforts began in 1979, when the Department began to take a close look at the underlying philosophies, policies, and procedures for inspecting imported product.

It is clear that recent incidents, such as those involving Australian and Costa Rican meat, have jeopardized consumer confidence and the corresponding economic health of the industry. You have copies of background papers and press releases on these incidents in the background material which was provided to you several weeks ago.

I believe we moved quickly and responsibly in response to the Costa Rican and Australian crises and am certain that under our improved program for imported meat the need for reactive clean-up efforts such as those that took place in these cases will be significantly reduced.

We are building into our program a preventive approach to import inspection which should further ensure that the produce we import from our foreign trading partners meets the same high standards as that produced in the United States.

In 1979 an Agency task force proposed that foreign meat inspection efforts be redirected from the historical focus on individual plants to a broader look at the reliability of a country's regulatory program. That is, plant-by-plant reviews should only be part of a process that systematically evaluates the entire regulatory control system within that

country. A second recommendation was that these efforts be accomplished by more objective and specific measures of performances.

I might say parenthetically here that we do require and have always required that a foreign country's inspection system be equal to that here in the United States. That is required by law, and we evaluate on that basis. However, we have limited our evaluation for the most part to inspection performance in plants. We have never taken the look that should have been taken at regulatory controls regarding the movement of such things as pet food, and the types of programs or compliance efforts that these countries have in place to find out where criminal activity is occurring.

As a result of the 1981 Farm Bill, on July 8, 1982, we published in the Federal Register a proposal which codifies existing requirements providing that standards applied to foreign products offered for importation into the United States are at least "equal to" the standards applied to domestic products. An additional proposed amendment would require foreign countries desiring to establish and/or maintain eligibility for importation of products into the United States to have and maintain a program to test for residues in the internal organs and fats of carcasses from which food products intended for export to the United States are produced.

I might say that's still an administrative

requirement at this point. However the 1981 Farm Bill puts that into legislation.

Copies of the proposed rule have been distributed to you.

Comments on that rule will be accepted through September 7 and then will be reviewed and evaluated. Formal rule-making procedures aside, however, specific actions have been and are being taken to improve the import inspection program. To follow up on the task force review that I mentioned, the Agency in 1981 published guidelines to measure a country's ability to control six basic risk areas: biological residues, disease, misuse of food additives, gross contamination, microscopic contamination, and economic fraud.

Data collection has begun, starting with the countries supplying the largest percentage of imports. When necessary, this data will be supplemented by onsite verifications. Plans call for implementation of the new approach, including ongoing reviews by the Agency, by the end of the fiscal year 1983.

Last year's Australian meat substitution scandal spotlighted a critical area to be addressed within the Agency's new approach: product integrity, that is, the controls a foreigh country exercises to prevent the introduction of illegally prepared or unauthorized meat into export channels. We expect to integrate these controls into the system by the

end of this fiscal year, 1982.

On November 13, 1981, we sent a cable to all certified countries stating two additional eligibility requirements for exporting product to the United States: (1) species testing programs, and (2) compliance controls to assure product integrity. The cable requested that all data concerning these areas be sent to the Agency earlier this year.

Regarding the species testing program requirement, the large suppliers of boneless meat have complied with this request. The smaller suppliers are coming into compliance. We will continue to push this requirement aggressively.

And I might add that I have reviewed the information from Australia where the problem first surfaced, and we've concluded that sufficient remedies have been implemented in that country.

An interdisciplinary team comprised of compliance program and foreign review experts will visit three representative countries to obtain additional information on product integrity controls. The resulting information will be used to design comprehensive review procedures for evaluating the continued effectiveness of compliance programs in eligible countries.

We are committed to improving import inspection operations at all import stations, that is, port of entry. Initiatives already underway will improve reporting, sampling

techniques, laboratory testing, sample security, and refused-entry product procedures.

Each shipment of imported product must pass a port-of-entry examination by F.S.I.S. inspectors before the product is permitted to enter U.S. commerce. The Automated Import Information System, operational since 1979, is a computerized system which tallies and stores daily inspection results by establishment and by country, from all ports of entry. This System enables us to apply a variable inspection format which lets us concentrate resources where they are needed most: on product from producers with inspection histories revealing potential or real problems.

The Australian meat incident called into question the range and completeness of port-of-entry inspection controls, particularly the Agency's ability to detect species violations and various other types of compliance problems in their early stages. After a thorough review of existing practices, on November 10, 1981, we integrated into the A.I.I.S. a species identification monitoring program. Thus far, all samples taken since that time have been in compliance.

The Agency is also conducting an intensified training program to help the inspectors more easily identify what we consider to be illegally prepared meat. As recommended by the Agency's Board of Inquiry on the Australian meat incident, we are also working to expand laboratory capabilities

through the development of improved species identification tests. The Board's other recommendations also have been adopted. You have been provided a copy of the Board of Agency's report.

Through an automatic and systematic review of inspection findings exceeding predetermined levels, the Agency is developing an "early warning" system to flag existing or potential problems, including the illegal preparation of meat. We are also reviewing all import inspection procedures to determine whether they meet today's needs. These review findings will indicate the nature and extent of any needed additional revisions to the Import Information System.

Although the shared responsibilities of F.S.I.S. and the U. S. Customs Service have, for the most part, worked well to protect the public from adulterated or misbranded imports, the former procedures did contain certain weaknesses. For example, product lots that were refused entry at one port could be transported to a second port for shipment out of the country. The product was not shipped under seal. At the second port, lots could be subdivided for shipment to several consignees. Under these procedures, we were unable to identify whether an entire lot, or only a portion, had been properly exported or otherwise disposed of.

Let me say here that our law does not permit us to condemn product that's offered for entry into the United

States and which is refused entry. It has to be destroyed voluntarily by the owner. They do have the right to take the product out of the country, and in many cases they do so. They export the product and sell it at a number of locations.

In addition, although regulations required disposition of the product within 30 days unless an extension were granted, extensions were freely granted. Further, Customs officials were not able to witness the proper disposition of refused-entry products, but instead had to rely upon forms transmitted to them by various brokers, owners, and consignees of the product. As a result, some refused-entry meat and poultry has remained in the United States for two or three years before being exported, with no official record of its location.

F.S.I.S. recently issued to import inspectors tightened procedures for marking, controlling, and re-exporting refused-entry product. The Agency is also developing emergency revisions to the regulations to strengthen these procedures further.

The most significant change we have made is that the Department will maintain security over all refused-entry product until it is either destroyed, converted to nonhuman food use, or exported. If product is refused entry at an inland inspection location, it must be transported to an approved port under U.S.D.A. seal. Product refused entry at

port inspection locations must be exported from ports. In these cases, product must be transported under official seal. In addition, inspection personnel have been instructed not to permit product to be stamped with the mark of inspection until official import inspection has been completed and the product is passed.

In the past a product could be what we call "pre-stamped" provided it is maintained under certain controls and then if passed import inspection, could enter commerce. This avoided double handling of product by importers. The problem is that because of the lack of good control on refused-entry product, this led to some problems and at certain times, evidently, in clandestine fashion under criminal activity, some of the product was marked U.S. inspected and passed after being refused entry and was moved into the country.

There is, as we all know, a grand jury now sitting in Miami, and we understand that they will be issuing indictments shortly regarding some of the criminal activity that's been under investigation at that port now for about the last year.

The instructions also reinterate the regulatory requirement that refused-entry product must be disposed of within 30 days after notice is given to the Director of Customs of the rejection. Under the instructions, extensions may be granted in emergency situations only and through my office.

If refused-entry product is not exported or otherwise disposed of within the specified time, we will request legal action through the Office of the General Counsel to destroy the product for human food.

Under the new procedures, we will continue to notify Customs when a shipment has been refused entry and also when the product has been exported or otherwise disposed of. Meat inspection officials of the country of origin are being notified as well when products are found unacceptable, and the reasons for the findings. They are also cautioned against repeat violations. F.S.I.S. is also working closely with the Customs Service to identify rapidly and resolve problems concerning areas of overlapping jurisdiction and responsibility.

In a 1981 review of various U.S. ports of entry, the Department's Office of the Inspector General identified several problems in the meat sample selection and security process which could result in questionable product being introduced into consumer channels. Their review also uncovered considerable delays between the time meat samples are collected and are received by an F.S.I.S. laboratory for analysis.

To improve this process, we are giving special attention to meat sampling procedures used at high-volume import stations, where problems such as errors in sample selection and identification are most likely to occur. We are surveying sample security areas, especially where samples must

be held overnight, and will require security improvements where facilities do not effectively prevent unauthorized access. Wherever practicable, supervisors are conducting unannounced reviews of sample security procedures and facilities.

We have taken several steps to improve sample turnaround time. A review of the field laboratories' workload has already resulted in an improved workload distribution. In addition, inspectors will soon be provided instructions that clarify sample shipment procedures, with particular emphasis on weekend mail service. Finally, the laboratory computer system now provides the regional inspection offices with a weekly list of samples held in establishments longer than three working days and samples in transit longer than seven days.

In recent years we have made some notable improvements in the residue program for imported meat. Although we continue to detect violative residues in product from some countries, we are finding that most countries are consistently in compliance. This is due in part to cooperative efforts between foreign governments and the United States which continue to improve detection and control procedures used by the exporting countries before product leave their shores.

In addition to the increased emphasis on residues, we have also been using more stringent follow-up testing for product from firms whose prior shipments had violative residue

levels. That is, more samples are being taken on more lots before a violative firm is returned to a normal sampling schedule. Further we no longer accept, as a substitute for testing, results of foreign pretests or certificates from foreign governments certifying the residue levels of the product.

Before I take questions on that particular area, let me make just a few comments about exports and then we'll cover those areas jointly.

EXPORTS

I would like to mentioned some current activities and issues in the area of U.S. exports of meat and poultry products to other countries.

For the past several years there have been ongoing discussions with members of the European Economic Community, currently comprised of ten nations, concerning E.E.C. import regulations which are at considerable variance with those of U.S.D.A. E.E.C. requirements for red meat exports, as spelled out in a red meat directive issued several years ago, impose burdens on U.S. exporters which we do not believe we should have to meet, primarily because of the refinements which have been built into the U.S. inspection system over the years, and because the animals brought to slaughter here are generally younger and healthier than their European counterparts, whereas in Europe much more emphasis is placed on

animal health activities.

Recent discussions with E.E.C. officials have resulted in a proposal by the E.E.C. of a revision of the existing red meat directive which would be much more favorable to our position because it clearly recognizes the principle of equivalence: the acceptance of alternative procedures that achieve the same ends. The proposed revision is now proceeding through a ratification process in the E.E.C. Council; unanimous approval is necessary. In the meantime, E.E.C. members can elect not to enforce the existing directive literally, although West Germany in particular has insisted so far on doing so.

At present, there is no E.E.C. directive covering U.S. poultry exports. U.S.D.A. is, however, encouraging the development of a directive for poultry which embodies the principle of equivalence.

Another matter of concern, both to the Food and Drug Administration and to U.S.D.A., is the possibility of the imposition by the E.E.C. of extremely stringent restrictions, or even a total ban, on the use of hormones. Some of the hormones in question are in wide use in this country. Although we have explained at length in discussions with the E.E.C. why we believe the current system of hormone controls is adequate to protect the public health, it appears likely that a ban will ultimately be issued and that enforcement will be left to individual E.E.C. members, which of course would mean

coping with varying procedures.

We are also working to resolve some problems with the United Kingdom concerning export of U.S. poultry products. In 1980 the United Kingdom stipulated that all uncooked poultry imports must originate in E.E.C.-certified plants, and in 1981 all cooked poultry exports also became subject to this requirement. Use of the counterflow chilling system is a key requirement of E.E.C. certification, and only a few U.S. plants can comply. Those that can must substantially increase their water consumption and disposal requirements.

Another problem is the ban imposed by the United Kingdom last year on imports of uncooked poultry from any country where Newcastle disease existed or whose producers inoculated their birds with Newcastle vaccine containing live viruses. This action halted the annual export of approximately 6 million pounds of uncooked poultry from the United States to the United Kingdom. This month, however, a European court ruled against the United Kingdom's decision, but the effect of the court's action remains to be seen.

In recent months members of the Export Coordination staff of F.S.I.S. and others from U.S.D.A. including Assistant Secretary McMillan on the latest European mission, have traveled extensively to discuss issues associated with export requirements. In April and May discussions were held in the Middle East with officials of seven countries so that

we could gain a clear understanding of the export requirements of these nations, which are now seen as potentially large markets for U.S. meat and poultry exports.

In the Far East, export requirements were discussed with authorities in Japan, Hong Kong, and Singapore.

It is clear that while a number of problems remain to be resolved, progress is indeed being made through efforts to emphasize and encourage the export of U.S. agriculture products. Both F.S.I.S. and the Foreign Agricultural Service continue to work diligently to identify new markets, to reach resolution of problems arising from the divergence of inspection regulations, and to provide relief from non-tariff trade barriers and regulatory burdens.

I would say, however, that we're still encountering a lot of difficulty and we continue to believe that many of the requirements that are established in the E.E.C., and the fact that they can be selectively enforced, are being used as trade barriers.

While I won't go into the common agricultural policies of the E.E.C., they are certainly restrictive to the U.S. and in our ability to get more of our agricultural products into other markets.

We are very efficient producers of agricultural commodities, more efficient than many other countries; but as long as these barriers exist and the subsidies are paid by

our competitors, it's going to be difficult for us to maintain some markets or enter others.

Let me open that area now of both imports and exports to any questions of clarification at this point.

DR. FOSTER: I'm not sure this is a matter of clarification, but I did notice that in your initial slide, one of your first slides, a substantial amount of imported meat from Denmark. Could you give us a brief word or two about the situation on the foot-and-mouth disease and how it's affected the importation.

DR. HOUSTON: There were some fresh pork products, in fact, Denmark was starting to build a rather substantial market in the United States with fresh pork products. Those shipments stopped immediately. I think in the last full year prior to the outbreak of foot-and-mouth disease they brought in some 25 million pounds of fresh products and about 65 million pounds of canned products, canned cured products.

That does not affect their trade in canned cured products because they are heat treated and therefore the virus is destroyed and we have no concern there, provided they bring it to a certain temperature.

So from that standpoint it has affected the trade of fresh meat but not canned cured products.

We have been informed that the country of Denmark considers themselves now rid of foot-and-mouth disease, their

eradication procedures have been put into place. But it's the policy of U.S.D.A. however not to consider designating any country foot-and-mouth free for at least one year following an outbreak. During that period, there will be a close evaluation of those procedures that were used to determine that an outbreak has, in fact, been brought under control. It also offers a time barrier in case there's any latent problem that would surface so that we would not have product coming into the United States and endangering our own livestock population.

Dr. Alfin-Slater.

DR. ALFIN-SLATER: Are the requirements for imported products, the summary sheet, you have a statement that "the proposed rule would amend the Federal meat inspection regulations to clarify that the inspection sanitation quality, etc. parts of caucasses of meat and meat food products of cattle, sheep, swine, goats, horses, mules, and other species, etc., must be at least equal to the standards applied to such domestic products produced in the United States."

Do we have standards for mules and kangaroos and buffalo?

I think that's a little ambiguous because they can say, "Well, you don't have these standards and so we can use our own standards."

DR. HOUSTON: We apply our standards against a

country who would ship products here. We do have standards for all the domestic species, and we obviously don't have any for kangaroo. We do have standards for animals in the United States that we inspect on a fee basis that are not subject to the Federal Meat Inspection Act, such as buffalo and reindeer. We have standards for horses; there are 16 plants that slaughter horses in the United States, which slaughter about 300,000 horses a year, the vast majority of which are shipped to Europe. Very little horse meat is consumed in the United States, but it's consumed in rather large amounts in Europe.

So we do have all those standards, and those standards would be applied against any country who wished to ship product here.

DR. ALFIN-SLATER: I'm just saying, you don't have standards for kangaroos, and suppose Australia says, "Well, we have our own standards and so you accept these because you don't have any standards."

DR. HOUSTON: Species that are not specifically identified and there's a mistake in there. As you read it I see where it states "and others," and that should not be in there.

That should have been limited just to the species that are identified in the Federal Meat Inspection Act, which are cows and horses and goats and sheep, and so forth.

DR. ALFIN-SLATER: Okay. I feel better.

DR. HOUSTON: Any other exotic meat coming into the United States is free to enter but is subject to the Food and Drug Act. F.D.A. has jurisdiction over all exotic meat that comes in, and it does come in. Kangaroo comes in, lion meat comes in, rhinoceros comes in, snake meat is in interstate commerce. There are a number of restaurants around the country that cater to clientele that want these foods. In fact, there's one restaurant in Washington D.C. that each week has a speciality, and I noticed in the paper several weeks ago it was kangaroo. One week it's lion meat, so on and so forth.

DR. ALFIN-SLATER: I'm glad that's Washington.

How are we sure that we are protected against Lord knows what that might come in with the meat?

DR. HOUSTON: Regarding the meats that are under our jurisdiction, we of course go right back to the country of origin to be sure that the inspection system is equal to ours, and then we reinspect the product when it enters this country.

F.D.A. does not have that intensive of a program, and they pretty much rely on some system of inspection at ports of entry. I'm not really that familiar with how intensive an inspection they're carrying out on those products. But that is under their jurisdiction. I really can't deal with that in terms of what they're doing with those products.

Rabbits are also coming into this country. They're not subject to the Federal Meat Inspection Act. There's very

substantial amounts coming in from China, People's Republic of China and Australia. I know that F.D.A. has become quite concerned about that and has conducted more intensive inspection of those products.

Dr. Foster.

DR. FOSTER: Yes. I might just add that F.D.A. also is responsible for frog legs, and they have been very careful about insisting that the frog legs imported be free of salmonella, for example. They inspect them at the port; they sample them; and they reject them very frequently.

DR. HOUSTON: I don't want to leave the implication that F.D.A. is not doing anything in this area. It's simply that I'm not familiar enough with their procedures to tell you how many lots they're looking at, so on and so forth.

MR. LOUNSBERRY: That would have to be specific kinds of salmonella, I assume. They surely aren't geared up to test for all types of salmonella in frog legs. How many types of salmonella are there? How many thousands of types of salmonella are there?

DR. FOSTER: About 1,800. They test for everyone of them.

MR. LOUNSBERRY: They do?

DR. FOSTER: Sure. They might not identify specifically which sero type.

MR. LOUNSBERRY: Well, I haven't seen Food and

Drug labs that have the capability, the ones I've seen haven't, anyway.

DR. HOUSTON: I believe there probably are some screening procedures available that will identify that species without identifying sero types.

DR. FOSTER: They don't necessarily identify the sero type. They just know that the genus is there, and that's enough as far as they're concerned.

DR. HOUSTON: Any other points in the area of import and export?

MR. MC DADE: This proposed regulation that we have here is very brief. Now the points that you discussed that were going to be put into effect, is that going to be done administratively? I'm trying to tie together what you read to me and what I have here.

DR. HOUSTON: What you have is the proposed rule as a result of the 1981 Farm Bill. That codifies existing administrative policy. In addition I pointed out a number of things that we're doing administratively that go far beyond what's required in the Farm Bill. In terms of looking, for example, at a country's total regulatory system, outside of plants for example, as well as some of the tightening up procedures at the port of entry here.

MR. MC DADE: I was just trying to find out if that was different, and if so, how.

DR. HOUSTON: It's an addition to that.

MR. MC DADE: Thank you.

DR. BURNETTE: Don, appreciate your update on the export situation and particular the E.E.C. rules. I know some of the frustrations of administration policy.

I'm at a loss to figure out what this Committee could look at or could do or could even talk about on export policy since it's totally disconnected from the negotiation process. If there was something there specifically we're suppose to be thinking about other than just receiving the update, I didn't understand it.

DR. HOUSTON: I did want you to be aware of where we stood. I wanted you to be aware that we are pushing this matter of equivalence. When you get into trade, it's a two-way street. We like to think it's a two-way street. Sometimes it isn't. But if we push the matter of equivalence, we've got to treat our trading partners in the same vein.

Another thing to keep in mind is that any time we change our law, that automatically has an effect on other countries as well. For example if we were to change our law and go to discretionary processing inspection, we'd have to look at other systems in the same light. We couldn't ask them to impose tighter standards than we are.

DR. BURNETTE: That's one of the reasons that I asked the question about the Codex Standards earlier on

margarine, because that's a very sensitive issue. Where we already have standards, if we refuse to examine the Codex Standards when they come out, then the E.E.C. is going to beat us over the head with them when we go back with our poultry.

DR. HOUSTON: Yes, you're right.

Does anyone else have a comment to make or a question of clarification?

Okay. We're on schedule. It's 4:30.

FOOD SAFETY LEGISLATION

Next is a quick update on Food Safety legislation. I reported to you when we last met that the White House Working Group on Food Safety, chaired by Bill McMillan, had given its proposals for changes in the food safety laws to the Cabinet Council on Human Resources, whose responsibility it is to develop the Administration's position on changes in those laws. The Cabinet Council has since that time made the Working Group's proposals public and it has asked the Group to consider the comments of consumer, industry, and scientific organizations before it makes its final recommendations to the Council. The Working Group is now in the process of interacting with those organizations to evaluate its proposals and, where appropriate, to incorporate the ideas of these groups into its suggested statutory language.

I might add that we completed one round of discussions with these groups. We have considered those comments,

and we are now planning the second round of discussions with the affected parties to begin within the next several weeks. If everything goes well, we will then submit our final recommendation for the Administration position to the Cabinet Council on Human Resources.

The package you have received for this meeting contains a summary of the Working Group's report. I thought you might be interested in my views on the nature and significance of the proposals contained in that report. First let me run through some of the more interesting proposals for you and point out why the group chose to make these particular recommendations.

The Working Group has suggested that a new regulatory category for traditional foods be created. The purpose of this change is to clarify in the statute Congress's intention that foods with a long history of use in this country be subjected to more lenient safety standards than food additives that do not have this kind of experience behind them. This would help to avoid the possibility that a regulatory agency would have to take precipitious action against a food that has become a staple of our food supply.

The Working Group has suggested the statute incorporate a definition of "safe" which makes clear that the safety objectives in the law are not based on the pursuit of zero risk. The Working Group believes that the definition it

proposes reflects the objectives under which the law is currently administered.

The Working Group's suggestion for phaseout authority introduces a new concept into food safety law. This authority would permit regulatory agencies to take a longer time to eliminate a produce that must be prohibited from the market if such gradual elimination does not pose an immediate risk. Agencies are presently not permitted to do this, and the problems of not having this authority became apparent when the possibility that nitrite would have to be removed from the market was encountered. The Working Group has suggested that the administration of phaseout authority is the appropriate place, and the only place, in the law where non-health factors such as severe disruption of the food supply and economic hardship should be considered.

The Working Group has recommended that the statute be modified so that contemporary science can contribute to the evaluation of a substance as a possible carcinogen. This would maintain the current policy, reflected in the Delaney clause, that human carcinogens are not permitted in the food supply. At the same time it would give regulators more flexibility in distinguishing a human from an animal carcinogen.

The Working Group has also recommended that the law permit risk assessment procedures to be used when determining whether or not a carcinogenic animal drug may be used in

producing animals whose tissues are used for human food.

The Working Group has suggested that the procedures and criteria for regulating certain kinds of indirect additives used for packaging be modified to reflect their low public health risk status. The purpose of this change in the law would be to reduce the excessive burden on both the agencies and industry associated with regulating packaging materials which have constituted a large portion of the regulatory burden in recent years. F.D.A. has recently announced a proposal known as the constituents policy, which is designed to permit scientific evaluation of carcinogenic additives when they are present in minute amounts, having migrated into food products from packaging. The Working Group's proposals on indirect additives would complement the constituents policy.

The Working Group has suggested that net health benefits be considered when deciding on the disposition of a hazardous substance, even if it is a carcinogen. The rationale for this position is that the food safety laws are public health statutes, and it therefore makes no sense, for example, to ban a substance if the resulting health effects are more hazardous to human health than the ones that have been avoided.

The Working Group has recommended that product-by-product approval for some establishments using medicated feeds be replaced by a one-time registration. The purpose of this

proposal is to permit regulatory resources to be allocated to the higher-risk problems of the medicated feed sector, that is, those places where the first dilutions of animal drugs occur.

The Working Group recommended that U.S.D.A. be given authority to set tolerances for pesticides in food products when other agencies do not set the tolerances. This will enable U.S.D.A. to deal in a timely fashion with some of its regulatory emergencies, and will permit public participation in the setting of regulatory limits, which has not been the case when U.S.D.A. has had to operate under action levels set by other agencies.

In addition to the proposals described above, the Working Group has recommended a number of other measures that would help streamline the regulatory process, such as in the evaluation of incidental additives found in packaging materials.

If I had to characterize the Working Group's effort in a few words, I would say that it is designed to make the food safety laws more workable in today's environment, especially with respect to the utilization of the scientific advancements that underlie our ability to produce and analyze new food products. An important aspect of this effort has been an attempt to allocate government and industry resources to the food safety areas of the greatest concern. I believe it is unlikely that any of the proposals I have described will generate significant changes in the day-to-day administration

of our regulatory programs at U.S.D.A., however, they would of course have a great impact on the regulatory process at F.D.A. especially in regard to evaluation of food additives.

The Working Group's activities, which are designed to help the Cabinet Council establish an Administration position on food safety, are continuing. To assure consistency in regulation across agency lines, F.D.A. and U.S.D.A. are working together as a team in the effort to include ideas from the public in our report. We have had productive discussions with various industry groups in order to better understand the objectives on all sides and to work out language that will reflect as much as possible our common objectives.

It has been heartening for me to realize as a result of this process how large a common ground the regulator and the industry share in our attempts to assure that our food supply is safe. Disagreements reflect not a difference of basic objectives, but a difference as to who should bear the burden when uncertainty arises in the regulatory process. The Working Group sees its responsibility as being one to assure that the public health does not bear that burden. At the same time, it is attempting to improve the regulatory process so that unnecessary burdens are not placed on industry where the public health is not at risk.

Any questions?

Dr. Foster.

DR. FOSTER: Generally I've heard two comments about this document. One of them was about six weeks ago, five weeks ago, by a prominent Washington lawyer, former important high government official in the food safety area, said this document is distinguished by the fact that everybody is against it. I rather doubt that but I wanted to here what you would say in response.

Before I do that, I would like to clarify another point. I've also heard that this document would eliminate the GRAS status. I don't see any evidence of that. Am I wrong or have I been misinformed?

DR. HOUSTON: Let me answer your first question.

I recall reading that comment by the prominent Washington attorney and former member of the Food and Drug Administration. I simply don't share his attitude, and I think other people would agree with me. However, I suppose, well, I won't go any further than that at this point.

This would eliminate GRAS, post '58. But we've carefully looked at that whole GRAS situation during this comment period. While I do not want to make any comments at this point, we're carefully considering making some modifications in that area. Without stating what those might be, I'll just say that we're aware of the concerns that have been expressed about that and considering some modifications.

DR. FOSTER: Thank you.

MRS. CRAMER: Would you go over again the makeup of the Working Group?

DR. HOUSTON: Yes. The Working Group is chaired by Assistant Secretary Bill McMillan from U.S.D.A., it's composed of Assistant Secretary for Health, Ed Brandt from H.H.S., Commissioner Arthur Hayes from Food and Drug Administration, the Deputy Administrator of the Environmental Protection Agency, John Hernandez, and myself. We also have an ex officio member, Mr. Burley Leonard from the White House, who is on the Senior Policy Staff at the White House and participates in the deliberations of the Working Group.

Dr. Whelan.

DR. WHELAN: As you know in the last year a number of bills have been introduced to Congress to change the food safety laws, Hatch, Wampler and others.

How does your document relate to proposed legislation that may come in the next session? Will this be called upon as an expert support document, or will it ever actually be part of some new legislation that maybe proposed?

DR. HOUSTON: You're right. There's been the Hatch bill, the Gore bill, then there's been the so-called Kennedy-Hatch-Staff proposal, and of course there's our proposal, the Working Group's proposal, with specific language.

We started out as a Working Group following the introduction of the Hatch bill last year. We used that as a

basis for much of our evaluation. In addition we went into other areas beyond which the Hatch bill covered. I'd say we're right in line with the same areas that are covered in the Hatch bill, as well as the Gore bill. We suggest some modifications from the Hatch bill and Gore bill, and when we put those out for informal comment, of course there were a lot of people who disagreed with the way we went in terms of looking at it through the Hatch bill.

Nevertheless, we've taken all those comments into consideration, and as I said, we do have modifications under consideration. I think it would be premature for me to make any statements as to what those modifications will be. I think that's up to the Chairman of the Working Group to discuss it with the Cabinet Council before those are put out for further comment.

But I would expect that the areas that have been put in the Hatch act for modification are the same areas that are in the Working Group. Once the Cabinet Council accepts them, that will become the Administration's position on food safety and will serve as the basis for hearings, for development of testimony, and perhaps even the development of a bill. It could even move that far, although it could be limited just to hearings at this point.

Just to reinterate, we believe that will become the Administration position on food safety.

It has to be accepted by the Cabinet Council, and of course it has to be accepted by the White House. The Cabinet Council on Human Resources is a Cabinet-level council and works through the aegis of the White House. So I think if we get it that far, it'll be in pretty good shape.

DR. BURNETTE: Who is on the Cabinet Council besides Block and Schweiker?

DR. HOUSTON: Well, O.M.B. has a seat; Labor has a seat. I don't recall the other members of that Cabinet Council, I'm sorry. But I do know Labor and O.M.B. have a seat, and H.H.S., and Agriculture is on it for the purposes of food safety policy.

Any other questions?

MR. CRAIG: At what point precisely do you get effective input from, in this case, the consumer and the industry on matters of this type where you're shaping a far-reaching policy? The establishment or maybe we should say the building of a house, then once you get the house built, or maybe you would say designed, it gets potshot at by the consumer and the industry.

DR. HOUSTON: At this point we've done it on an informal basis by testing the water, if you will, by putting out the first round of recommendations that were developed last year to a whole range of affected parties, principally industry and trade groups, but also consumer groups.

I might say that the consumer groups were pretty much opposed to any change. They believe that the present law should remain as written, and that they see no need for change. Other groups do see some need, industry groups. We also talked with a number of scientific organizations. Most of them agree some change is needed.

We've taken those comments we've gotten so far and are reshaping some of the language at this time. We will take that to the Cabinet Council and if there's substantial agreement, we'll move out and have another round of discussions with affected parties, and then probably go with a final set of recommendations.

Keep in mind that what we're trying to do is achieve as much consensus as we can at this point knowing full well that everyone will still have the opportunity to make their viewpoints known during Congressional hearings. In the final analysis it's the Congress that will decide what that language will be. We've used a rather informal approach thus far, I would say.

DR. BURNETTE: Do you have with you, because I don't think the group is aware of the breadth of the three briefings and the extent of the three briefings that were held in what you call an informal proceeding but it was of rather extensive magnitude. Do you have the list of the people who participated in that with you?

DR. HOUSTON: No, I don't, but it was very extensive.

DR. BURNETTE: Let me say because I participated in one of them, just pertaining to your question, Frank, from the scientific societies I would guess there were at least 25 societies invited, everyone from the American Association for the Advancement of Science and the American Chemical Society to the Institute of Food Technologists, the Society of Toxicologists, all of the affected scientific organizations.

The same procedure was followed for consumer groups and for trade association groups. A lot of people got full briefings by the Working Group, and an opportunity to file written comments, which have been fairly extensively covered in Food Chemical News over the last couple of weeks.

DR. HOUSTON: Any other questions?

FOOD SAFETY POSTER CONTEST

You've been provided with some background information on the F.S.I.S. National Food Safety Poster Contest, but I'd like, first, to give you more details about the direction we will be taking for next year's contest and, secondly, to tell you something about other efforts to educate consumers about food safety and nutrition.

The first two poster contests focused on safe handling of food. I don't have the actual number of participants that were involved in those contests. I think it's in

the information that was sent to you, but they were both very successful. Thousands of young people got involved in these food safety poster contests.

Next year the theme will be food labeling, with the emphasis on being a well-informed consumer. The contest kits which will be mailed to schools nationwide will include information on aspects of Federal labeling regulations and related food safety requirements. There will be descriptions of the kinds of nutritional, identifying, and handling information that appears on modern food package labels and an explanation of how this information can be used from health, safety, and economic standpoints. In addition, emphasis will be placed on safe buying practices, such as avoiding bulging or severely damaged cans, and making meat and poultry purchases last.

I would say here that this is a more sophisticated subject than we've gone into in the past, and we will probably not have next year's in the kindergarten, first grade area. The experts in this area have indicated that we probably ought to limit this to the second through sixth grade because of the complexity associated with the subject of food labeling.

Since we are in the preliminary planning stage for the 1983 contest, any suggestions you have concerning other aspects of food labeling which could be covered or regarding our approach would certainly be welcomed. I would also very

much appreciate your suggestions of subjects which could be themes for future poster contests.

In addition to the poster contest, which is aimed at educating the young consumer, F.S.I.S. is involved in a number of other activities designed to educate the public on the care, handling, composition, inspection, and labeling of food products.

There are currently 19 F.S.I.S. publications concerning food safety and nutrition. Single copies of publications are free, and bulk copies can also be provided at no charge to most organizations. A list of these educational publications has been given to each of you.

We also produce educational audiovisual material: radio and television public service announcements, slide shows, and exhibits. To publicize the availability of publications and audiovisual material, the Agency's public awareness and information staffs use direct mail campaigns, press releases and other notices to the media, and items in the F.S.I.S. newsletter "Food News for Consumers," as well as public service announcements. In addition, information and public awareness staff members attend conferences, such as those of the American Dietetic Association and the American Public Health Association, to bring our educational material to the attention of the grous' members.

The Consumer Information Center, which is the

distribution point for government-issued consumer information, lists several F.S.I.S. publications in its catalogue, and mail thousands of copies of these each year to interested consumers.

A current example of an F.S.I.S. food information campaign is our effort to publicize the brochure entitled "Sodium -- Think About It," which we talked about earlier and which you each have a copy.

In early June nearly 1,000 letters were mailed to Members of Congress, trade associations, consumer and professional organizations, newspapers, magazines, and Federal, State and local government offices to announce publication of the sodium brochure. At present a series of television and radio announcements is being prepared to promote the brochure.

Requests for thousands of copies of the sodium brochure and for sets of negatives to be used to reproduce it have been received. Another very popular publication in recent months is the one called "Summertime Food Safety," which has been sent to hundreds of schools and organizations.

If any of you have ideas for future food safety campaigns or suggestions of subjects which could be covered in educational publications or public service announcements, please let the Agency know. As I mentioned, I would also appreciate your ideas for the Food Safety Poster Contest.

Are there any questions on that?

There being none, we will proceed to ask if there are any members from the public today who would like to raise any questions or make any statements before we adjourn the meeting?

Are there any other questions from the Committee before we adjourn?

MR. MC DADE: Do we have any arrangements on checking out tomorrow? Do we have a noon or 2 o'clock check-out, or should we bring our bags down here tomorrow morning? Does anybody know?

DR. HOUSTON: We'll notify you tomorrow morning early of that requirement. Perhaps we can even find out this evening and let you know.

MR. MC DADE: Thank you.

DR. ALFIN-SLATER: Checkout is 1 o'clock, they told me.

DR. BURNETTE: Can I modify the question?

DR. HOUSTON: Yes.

DR. BURNETTE: Those of us going all the way back to the East Coast have two choices: a late redeye or stay over until Saturday. It would be convenience I know for myself and George, at least, if we could get a very late checkout, or extended half a day or something, so that we have some place to be until midnight when we have to catch a plane.

DR. HOUSTON: I happened to read the rules posted

on my door, and I think it says that either 11 o'clock or 1 o'clock is checkout time. You can stay until 6 o'clock at half rate, I think or reduced rate. After 6 o'clock it is the full rate.

Unless we can do something further to help, that's what I've been told at this point.

Dr. Whelan.

DR. WHELAN: What are the plans for the meeting tomorrow? Are we going to go from 9:00 straight through? Is there going to be a lunch break? What is the procedure?

DR. HOUSTON: I think we'll play that by ear. We'll open up and go through the same agenda again and ask for any observations, comments, statements that the individual members want to make. Sometimes we get into colloquy. Sometimes there's discussion between various members of the Committee, and I hesitate to break that discussion off. I'd like to be as complete as possible. However if we move through these rather quickly, in the past the Committee has chosen to work through the lunch period and perhaps finish up maybe at 1 o'clock or early in the afternoon, rather than take that lunch period and go on.

So we'll watch in the morning. If we move through these rather quickly, we have that option available to us.

If the discussion carries on and there's a lot of interest in some of these, it maybe to the best advantage, at

least to the majority, to take the lunch break and then come back and spend the afternoon.

I'm sorry I can't give you a definite answer.

DR. ALFIN-SLATER: Do we meet here tomorrow in this room?

DR. HOUSTON: Tomorrow morning at 9 o'clock, yes.

DR. ALFIN-SLATER: Can we leave things here or not?

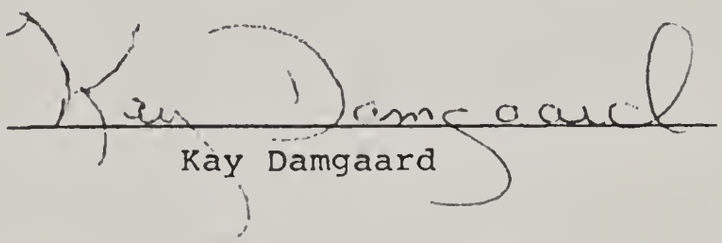
DR. HOUSTON: I don't think we should.

The meeting is adjourned until 9 o'clock tomorrow morning.

(Whereupon at 4:55 p.m. Thursday, July 29, 1982, the Advisory Committee meeting was adjourned until 9 o'clock on Friday, July 30, 1982.)

C E R T I F I C A T I O N

This is to certify that the attached proceedings before the UNITED STATES DEPARTMENT OF AGRICULTURE, in the matter of the ADVISORY COMMITTEE ON MEAT AND POULTRY INSPECTION, on Thursday, July 29, 1982, at The Sheraton-Palace Hotel, Comstock Room, 639 Market Street, San Francisco, California, were had as therein appears, and that this is the original transcript thereof for the files of the DEPARTMENT OF AGRICULTURE.



Kay Damgaard